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on Trade and Development

Report of the Trade and Development Board

Fourteenth and fifteenth executive sessions and forty-fourth session

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Supplement No. 15 (A/52/15)

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CONTENTS

Chapter Page

INTRODUCTION 1

Part One

Report of the Trade and Development Board on its fourteenth executive session

I. ISSUES ARISING IN THE WAKE OF THE WORLD TRADE ORGANIZATION MINISTERIAL CONFERENCE 4

II. COORDINATION AND COOPERATION BETWEEN UNCTAD AND RELEVANT INTERNATIONAL ORGANIZATIONS 12

III. TECHNICAL COOPERATION: STRATEGY FOR UNCTAD; 1997-1999 PLAN FOR TECHNICAL COOPERATION 15

IV. PROGRESS REPORT ON THE WORK OF THE SECRETARIAT TASK FORCE ON PUBLICATIONS POLICY 17

V. REPORT OF THE PRESIDENT OF THE BOARD ON HIS CONSULTATIONS ON THE ISSUE OF INTERDEPENDENCE, LEAST DEVELOPED COUNTRIES AND THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s; PROVISIONAL AGENDA FOR THE FORTY-FOURTH SESSION OF THE BOARD 19

VI. OTHER BUSINESS 25

A. Progress in the reorganization of the UNCTAD secretariat 25

B. Membership of the Working Party on the Medium-term Plan and the Programme Budget, 1997 26

VII. ORGANIZATIONAL MATTERS 27

A. Opening of the session 27

B. Bureau of the fourteenth executive session 27

C. Adoption of the agenda 27

D. Report of the Board on its fourteenth executive session 27

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CONTENTS (continued)

Chapter Page

Annexes

I. Agenda of the fourteenth executive session of the Board 28

II. Provisional agenda for the fifteenth executive session of the Board . 29

III. Provisional agenda for the forty-fourth session of the Board 30

IV. Membership and attendance 31

Part Two

Report of the Trade and Development Board on its fifteenth executive session

I. MATTERS REQUIRING ACTION BY THE BOARD IN FOLLOW-UP TO THE NINTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT AND ARISING FROM REPORTS OF ITS SUBSIDIARY AND OTHER BODIES 34

A. Reports of the Commissions on their first sessions 34

B. Report of the Working Party on the Medium-term Plan and the Programme Budget 39

C. Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development 40

D. Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in the agreed conclusions 436 (XLIII): Development in Africa 41

II. OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT 43

A. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO 43

B. Report of the Joint UNCTAD/International Maritime Organization Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects 44

III. INSTITUTIONAL, ADMINISTRATIVE AND RELATED MATTERS 45

A. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board 45

B. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board 45

IV. OTHER BUSINESS 47

A. Adoption of the technical cooperation strategy of UNCTAD 47

B. UNCTAD's publications policy 48

CONTENTS (continued)

Chapter Page

C. Designation of the President and Bureau of the forty-fourth session of the Trade and Development Board 48

D. Communication from the United Kingdom 48

E. Regional symposium for Africa: International investment arrangements: the development dimension 49

V. ORGANIZATIONAL MATTERS 50

A. Opening of the session 50

B. Bureau of the fifteenth executive session of the Board 50

C. Adoption of the agenda 50

D. Report of the Board on its fifteenth executive session 50

Annexes

I. Agenda of the fifteenth executive session of the Board 51

II. Statement by the Secretary-General of UNCTAD on preparations for a meeting with actors in development 52

III. Regional symposium for Africa: International investment arrangements: the development dimension. Message from Fez 57

IV. Statement by the UNCTAD Senior Legal Adviser on non-governmental organizations 58

V. Membership and attendance 59

Part Three

Report of the Trade and Development Board on its forty-fourth session

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA 62

A. Segment for high-level participation: globalization, competition, competitiveness and development 62

B. Interdependence and global economic issues from a trade and development perspective: income distribution and growth in a global context 62

Agreed conclusions 440 (XLIV): Income distribution and growth in a global context 62

C. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s 64

CONTENTS (continued)

Chapter | Page

Agreed conclusions 441 (XLIV): Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s: policy reforms in agriculture and their implications for development 64

Recommendation 442 (XLIV): Third United Nations Conference on the Least Developed Countries: recommendation by the Trade and Development Board to the General Assembly 66

Summary by the Chairman of Sessional Committee I 66

D. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues 70

Agreed conclusions 443 (XLIV): UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues 70

E. Technical cooperation activities 72

1. Review of technical cooperation activities of UNCTAD 72

Decision 444 (XLIV): review of technical cooperation activities of UNCTAD 73

2. Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people 74

F. Other matters in the field of trade and development 74

1. Specific actions related to the particular needs and problems of landlocked developing countries 74

2. Progressive development of the law of international trade: report of the United Nations Commission on International Trade Law 75

G. Other business 75

1. Report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries 75

2. Commission on Investment, Technology and Related Financial Issues, second session: recommendations of the Commission regarding the convening of expert meetings 75

3. Resolution adopted by the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices 76

CONTENTS (continued)

Chapter Page

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS 77

A. Opening of the session 77

B. Election of officers 77

C. Adoption of the agenda and organization of the work of the session 77

D. Adoption of the report on credentials 78

E. Provisional agenda for the forty-fifth session of the Board 78

F. Institutional, organizational, administrative and related matters 78

1. Review of the calendar of meetings 78

2. Administrative and financial implications of the actions of the Board 79

3. Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of experts from developing countries in UNCTAD meetings 79

G. Adoption of the report of the Board on its forty-fourth session . 79

Annexes

I. Agenda of the forty-fourth session of the Board 80

II. Message from Mr. Kofi Annan, Secretary-General of the United Nations, to the joint session of the high-level segment of the Trade and Development Board and the Second Committee of the General Assembly .. 82

III. Discussion in the Trade and Development Board on UNCTAD's assistance to the Palestinian people 83

INTRODUCTION

The fourteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 24 March 1997. The executive session consisted of two meetings - the 882nd and 883rd plenary meetings of the Board. The report of the fourteenth executive session of the Board forms part one of the present report.

The fifteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 27 June 1997. The executive session consisted of two meetings - the 884th and 885th plenary meetings of the Board. The report of the fifteenth executive session of the Board forms part two of the present report.

Part three of the present report contains the report of the forty-fourth session of the Trade and Development Board, which was held at the Palais des Nations, Geneva, from 13 to 23 October 1997. In the course of the session, the Board held five plenary meetings - the 886th to 890th meetings.

The present report to the General Assembly was prepared by the Rapporteur under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda and procedural, institutional, organizational and administrative matters. Summaries of the statements made in the course of the forty-fourth session on the various items of the agenda are contained in document TD/B/44/19 (vol. II).

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS FOURTEENTH EXECUTIVE SESSION

Held at Geneva on 24 March 1997

I. ISSUES ARISING IN THE WAKE OF THE WORLD TRADE ORGANIZATION MINISTERIAL CONFERENCE*

1. The Secretary-General of UNCTAD noted that the decisions adopted at the first Ministerial Conference of the World Trade Organization (WTO), held at Singapore from 9 to 13 December 1996, in particular those in which UNCTAD was specifically mentioned, had implications for UNCTAD's future work. The areas concerned related to: the agreement on a plan of action in favour of the least developed countries and on organizing a meeting with UNCTAD and the International Trade Centre (ITC) in 1997, with the participation of aid agencies, multilateral financial institutions and the least developed countries, to foster an integrated approach to assisting those countries in enhancing their trading opportunities; and the establishment of two working groups, one to examine the relationship between trade and investment, and the other to study issues raised by members relating to the interaction between trade and competition policy. It had also been agreed that the two working groups would draw upon each other's work, as well as draw upon, and be without prejudice to, the work of UNCTAD and other appropriate intergovernmental forums in these areas. Ministers had also welcomed UNCTAD's current work in these areas and the contribution it could make to an understanding of the issues dealt with by the working groups, and they had encouraged cooperation with UNCTAD and other appropriate organizations to make best use of resources and to ensure that the development dimension was fully taken into account.

2. Regarding the working groups, there were two interlinking issues to consider. The first concerned the focus of UNCTAD's future work in the areas concerned, with a view to achieving greater complementarity between the work of UNCTAD and that of WTO. At this stage, as the working groups had not yet agreed upon their respective work programmes, it was difficult for the UNCTAD secretariat to identify with clarity the adjustments it might need to make in light of the work that would be undertaken by the two working groups in WTO. He observed, however, that UNCTAD's work programme in this area was autonomous and was based on the Midrand Declaration[1] and the decisions of the relevant Commissions.

3. The second issue concerned cooperation between WTO and UNCTAD. At the intergovernmental level, UNCTAD's role vis-à-vis the working groups would need to be defined, presumably when the work programme of those groups was agreed upon. At the secretariat level, it had not been possible as yet for the Secretary-General of UNCTAD and the Director-General of WTO to meet and discuss the modus operandi of cooperation between the two secretariats with a view to ensuring that the development dimension was fully taken into account in the conduct of the work of the working groups and that best use would be made of available resources. Such a meeting was scheduled to take place in early April 1997, when the issue of cooperation between the two organizations, in particular as regards the work to be undertaken by the working groups established in WTO, would be discussed.

4. On the question of the forthcoming high-level meeting on integrated initiatives for least developed countries' trade development, he stated that, in

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* In connection with agenda item 2, the following documents were made available: Singapore Ministerial Declaration, adopted on 13 December 1996 (WT/MIN(96)/DEC); and "High-level meeting on integrated initiatives for least developed countries' trade development" (informal note by the ITC, UNCTAD and WTO secretariats, circulated in English only).

pursuance of the decision taken by the Ministers at Singapore, the question of the high-level meeting had been discussed informally among Governments and UNCTAD, WTO and ITC. The informal note based on those discussions attempted to identify the specific objectives and the preliminary agenda of the high-level meeting and it also addressed related organizational matters. The executive session provided an opportunity for the Board to address the broad range of issues relating to the high-level meeting from the perspective of UNCTAD. The high-level meeting would itself offer an important opportunity to launch new initiatives to tackle trade and trade-related problems facing least developed countries in an integrated and coherent fashion. It was essential to involve the development partners of the least developed countries, in particular the Bretton Woods institutions, in the preparations for, and outcome of, the high-level meeting.

5. It was likely that discussions at the high-level meeting would focus on two main issues: market access and a programme of integrated trade-related technical cooperation within a coherent policy framework. However, the agenda of the meeting had by no means been finalized. Contributions from the Board on issues falling within the objectives of the meeting, as well as the respective emphasis and weight to be attached to each, would help in arriving at an agreed agenda no later than April. An agreed agenda would clearly help in the preparations at the national level for the high-level meeting.

6. Referring to the issue of enhanced market access, he recalled that the WTO Plan of Action for the Least Developed Countries recommended that the developed countries and the more advanced developing countries enhance market access to least developed countries on an autonomous basis.

7. As for technical cooperation programmes, he believed that such programmes should be directed at easing the supply-side constraints of least developed countries in order to unlock their development potential and emphasize capacity-building. An integral component of this would be to increase the transfer of technical know-how and investment to least developed countries. The high-level meeting would need to decide on the design and implementation of a pilot technical cooperation programme, drawing and building upon experience gained from the WTO/UNCTAD/ITC integrated technical assistance programme for selected African countries, including four least developed countries. The active participation of the development partners of the least developed countries in this decision - in particular, the World Bank, the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP) - would ensure policy coherence in trade and trade-related development assistance to least developed countries. The issue of policy coherence was of crucial importance if least developed countries were to derive maximum benefits from the efforts of the international community. Coherence of Fund/Bank policies with the commitments of least developed countries as WTO members would increase the complementarity and synergy of trade and trade-related policies and significantly enhance the net benefits accruing to least developed countries from those policies. It would also ensure that least developed countries utilize the special and differential measures of the Marrakesh declaration to restructure their economies in an orderly fashion in order to withstand competition in the global market place.

8. The representative of Morocco, referring to the cooperation between UNCTAD and WTO and the working groups to be established in WTO on investment and competition policy, pointed out that those issues had been studied at length in UNCTAD. Therefore, it was necessary to consider in what manner UNCTAD could best contribute to the deliberations of the working groups. Concerning the

high-level meeting on least developed countries initiated at the WTO Ministerial Conference, Morocco considered that that initiative was one on which UNCTAD, WTO and ITC could cooperate in a meaningful manner, but he felt that the agenda, the elements of the work and the objectives of the meeting, as derived from the WTO Plan of Action for the Least Developed Countries, should be narrow, focusing on practical work and aiming to achieve feasible results.

9. The representative of the Netherlands, speaking on behalf of the European Union, said that the Union considered that the work being undertaken in WTO and in UNCTAD - or, for that matter, in any other international organizations - should be mutually reinforcing and complementary. She noted the apparent willingness, in both WTO and UNCTAD, to work together in order to achieve the common goals of dealing in a transparent and effective way with the challenges of globalization and liberalization of the world economy. An example of this spirit of cooperation could be seen in the discussions on the relationship between trade, environment and development, which would feed constructively into the ongoing debate on trade and environment in WTO. A further example, deriving directly from the Singapore Ministerial Declaration, was the forthcoming high-level meeting on least developed countries, to be jointly organized by WTO, UNCTAD and ITC, and with UNDP and the Bretton Woods institutions as co-organizers. The European Union attached great importance to this meeting, which aimed at increasing market access and at promoting a coherent and integrated international approach to trade-related problems of least developed countries, inter alia, by ensuring coherence and consistency of policy advice to, and technical cooperation with, those countries. It was important to agree on a clear timetable and an institutional mechanism for organizing the high-level meeting. The secretariats of UNCTAD, WTO and ITC were already working closely together, and in this context account should be taken of work carried out in other organizations.

10. Finally, she said that, in the wake of the WTO Conference, the investment issue should remain high on the UNCTAD agenda. On this subject, UNCTAD could and should play a necessary role and provide an indispensable platform in order to ensure that also as far as investment was concerned developing countries could reap the benefits of globalization and liberalization. A particular point of attention for UNCTAD should be the issue of promoting opportunities for foreign direct investment in least developed countries. UNCTAD's role should be shaped, in part, through the organization's technical cooperation activities, aimed at preparing the ground and providing training to developing countries which would enable them to respond to the opportunities arising from the Uruguay Round. However, UNCTAD's analytical role and the opportunities which the organization provided for open and informal policy discussions were equally important. Where the ultimate goal might be to come to an international agreement on investment in the framework of WTO, analytical work and discussion on all the different dimensions of investment were required in UNCTAD and WTO. In this field, UNCTAD should make use of its comparative advantage in addressing the relationship between development and investment. As a first step, the European Union was looking forward to the forthcoming expert meeting on bilateral investment agreements.

11. The representative of Switzerland highlighted the importance of integrating developing countries in the multilateral trading system. Integration was not only institutional; it also involved increased participation in international trade. Greater effort to achieve such integration was still necessary. This was particularly the case for least developed countries. In order to render operational the WTO Plan of Action for the Least Developed Countries, practical efforts would also be required by both international organizations and the

countries themselves. The Plan of Action should be complemented by outlets for exports.

12. He announced that, in order to broaden market access conditions of least developed countries and other developing countries, the Swiss Government had taken two measures after the Singapore Ministerial Conference. First, on 1 March 1997, it had introduced substantive changes in its generalized scheme of preferences under the Generalized System of Preferences (GSP), which would allow duty-free access to least developed countries' exports of industrial products and most agricultural products. Moreover, it had extended preferential access conditions to agricultural exports of other developing countries. The second measure related to the establishment of two trust funds (of $3 million each) in UNCTAD and ITC. He reiterated the importance of coordination and transparency in the technical cooperation activities of different agencies.

13. Turning to UNCTAD's activities in relation to the WTO Ministerial Declaration, he said that various issues in the Declaration required analysis by UNCTAD. The secretariat's work on investment and on competition policy was highly appreciated and should be continued. It would serve as a framework for intergovernmental discussions, including the work of the two working groups, on investment and on competition, established within WTO. The participation of the private sector and civil societies in such work was most important. Regarding the high-level meeting on least developed countries, his country favoured a sharply focused approach which would achieve concrete results in order to coordinate assistance programmes related to foreign trade. The goal was to determine an integrated approach to the means used to reinforce institutional and human capabilities of least developed countries. Switzerland had made proposals in this regard in 1994.

14. The representative of the Russian Federation said that cooperation with other international organizations should be undertaken on the basis of equality and specific division of responsibilities between the relevant international organizations, with due account taken of their comparative advantages. UNCTAD should secure its role as the United Nations central organ for interrelated consideration of trade, investment, technology, services, environment and sustainable development. UNCTAD was called upon to participate substantively in the discussions on global economic issues from the development standpoint, and in so doing contributed intellectual pluralism and a healthy competition of ideas. A certain decentralization of activities within the secretariat and better coordination of country-specific programmes were also important measures which could improve cooperation.

15. Reiterating his Government's support for closer cooperation and coordination between UNCTAD and other social and economic organs of the United Nations, the Bretton Woods institutions and WTO, he welcomed the consistent steps taken by the Executive Heads of UNCTAD and WTO to establish productive working relations between the two organizations. In the Singapore Ministerial Declaration, several specific areas were mentioned for UNCTAD/WTO cooperation, in particular on competition policy, environment and investment. This suggested that UNCTAD's potential in those difficult areas had been recognized, while its role as a forum for consensus-building should grow if these new issues were proposed for multilateral trade negotiations. Finally, he favoured the idea of conducting reviews of UNCTAD's cooperation with other international organizations on a periodic basis.

16. The representative of Haiti strongly supported the recommendations made by the European Union and Switzerland concerning the importance of achieving

tangible results at the high-level meeting for least developed countries. UNCTAD's assistance was required to ensure consideration of the development dimension, coherence of policy advice and promotion of intelligent interdependence. To this end, UNCTAD should assist delegations from least developed countries in their preparations for the meeting, in particular by making, well before the meeting, a study of the state of collaboration between the Government, the Bretton Woods institutions, the private sector and trade-related international organizations. The secretariat could synthesize these studies so that problems of coordination and collaboration would be highlighted at the meeting. Such work would enable participants to propose solutions aimed at a more coherent collaboration. He suggested that the United Nations Industrial Development Organization (UNIDO) be associated with the high-level meeting, given its experience in the area of industrial policy and small and medium-sized enterprises.

17. The representative of Bangladesh welcomed the increased cooperation between UNCTAD and WTO. With reference to the forthcoming high-level meeting for least developed countries, he expressed his satisfaction that UNCTAD was fully involved in the preparation, holding and follow-up of the meeting. The agenda of the meeting should be focused, to ensure that it resulted in a tangible, measurable and achievable outcome within a specified time-frame. There seemed to be a growing consensus that the meeting would deal with market access and with removal of supply-side constraints, so that the development potential of the least developed countries would be unlocked. The draft agenda should be prepared expeditiously, to allow proper preparations for the meeting. It was important to maintain the momentum and, in this context, he welcomed the recent initiatives to visit the Bretton Woods institutions in order to identify ways in which those institutions could make a real input in the preparations and in the meeting itself. Some delegations feared that they had not been given sufficient time to contribute to the plan of action. He noted, however, that this was the beginning of a series of measures, and countries could contribute to increased market access for the least developed countries at a later stage. Finally, he thanked Switzerland for its contribution to activities in favour of the least developed countries.

18. The spokesman for the African Group (Morocco) recalled that UNCTAD had a mandate to maximize the positive effects of globalization and liberalization by helping developing countries, and particularly the least developed countries, to integrate into the international trading system. UNCTAD should also help those countries to understand the multilateral trading system by analysing international trade and the new issues in a development perspective. For that purpose, cooperation between UNCTAD and WTO on trade and development was essential. UNCTAD was also among the key institutions in the organization and follow-up of the results of the high-level meeting on least developed countries. Given its mandate and experience in this field, UNCTAD would contribute effectively to achieving a better integration of the means to be mobilized in order to help least developed countries reap the benefits of foreign trade and integrate into the international trading system.

19. He hailed UNCTAD's analytical work in the fields of trade and investment, trade and competition and trade facilitation, which would serve as a basis for an informal discussion on those issues in WTO. As for cooperation between UNCTAD and WTO, the aim would be to ensure that the development dimension was duly taken into consideration. He added that UNCTAD could make a useful contribution, from a development perspective, to increasing transparency of public procurement and to helping developing countries understand different aspects of this question.

20. Referring to the international technology agreement, he felt that there was a danger that the process of liberalization in trade in information technology products would marginalize developing countries, particularly African developing countries. He urged UNCTAD to make an analysis that would clarify this question and would help those countries avoid the risk of marginalization.

21. The representative of Madagascar thanked Switzerland for its concrete steps to assist least developed countries through market access and technical cooperation activities. On the question of the high-level meeting for least developed countries, he referred to the informal note addressed by Madagascar to the three secretariats involved in the organization of the meeting. It was of the utmost importance to promote opportunities for foreign direct investment in least developed countries. To create synergies, it was important to establish a linkage between the pilot seminar on investment in least developed countries and the high-level meeting. If the objective of the meeting was to adopt immediately applicable concrete measures in favour of least developed countries, there was an urgent need to state their needs explicitly, so that there would be a correspondence between supply and demand. He reiterated his request to the three secretariats concerned to facilitate the statement of the needs of least developed countries in the form of a memorandum.

22. The spokesman for the Latin American and Caribbean Group (Jamaica) argued that the Singapore Ministerial Declaration had few serious implications for the current work programme of UNCTAD, since that programme was determined by the ninth session of the United Nations Conference on Trade and Development and the subsequent decisions of the Trade and Development Board and the Commissions. Those decisions included work on the Uruguay Round agreements. In respect of the high-level meeting on least developed countries organized by WTO/UNCTAD/ITC, a schedule of activities leading to the convening of the meeting should be prepared and circulated as soon as possible.

23. Finally, he expressed the view that the discussions in the executive session of the Board did not reflect the focus on executive-type matters that was expected of it.

24. The representative of Cuba stressed the need of developing countries to receive UNCTAD's technical inputs from a development perspective, which would allow them to be better prepared for future international trade negotiations, particularly those in the context of WTO. He welcomed cooperation between UNCTAD and WTO, but insisted that such cooperation should preserve UNCTAD'S space, priorities and independence, so that it did not become subordinated to WTO. UNCTAD should, in fact, have a proactive attitude, without waiting for developments in WTO's work.

25. The representative of Peru said that the most important point in cooperation between UNCTAD and WTO was to ensure that the development dimension was taken into account, particularly in the discussions on investment and competition. UNCTAD should participate formally as an observer in the WTO working groups on those issues. The dates of the meetings of the WTO working groups should be coordinated with those of expert meetings convened by UNCTAD, to enable both sets of meetings to benefit from the presence of experts from capitals. The two agencies could also sponsor a joint seminar along the lines of Divonne III, so as to render explicit the synergy and harmony between them. The reports prepared by UNCTAD on investment and competition, including the three reports to be drawn up by future UNCTAD expert meetings, should be submitted to the WTO working groups, as well as a list of publications that UNCTAD had previously issued on those subjects.

26. The representative of Canada said that, with regard to the work of the WTO working groups on the relationship between trade and investment and on issues relating to the interaction between trade and competition policy, UNCTAD possessed a relevant high-level analytical capacity and could therefore maintain its role of a consensus-builder on those issues. Cooperation between UNCTAD and WTO could be further enhanced, but it should be kept in mind that the two institutions were autonomous. Concerning the high-level meeting, he emphasized that the least developed countries required far more extensive technical assistance, especially as regards capacity-building, in order to benefit fully from the results of the Uruguay Round agreements. As for the agenda of the high-level meeting, he argued that it should not be expanded beyond what had been agreed upon. He also pointed out that dates for the meeting had not yet been agreed on. Finally, he trusted that IMF and the World Bank would be involved in the preparation of the IMF meeting.

27. The representative of Uganda, referring to the high-level meeting on least developed countries, said that tangible and measurable results should include the important issue of market access. Those trade-related actions needed to be developed within an integrated policy framework, and he therefore appreciated the moves to engage full participation by the World Bank and IMF in the high-level meeting. A positive step in that direction was the envisaged mission to Washington by the Chairman of the WTO Committee on Trade and Development and the Chairperson of the Subcommittee on Least Developed Countries. He supported the call for UNCTAD to assist least developed countries in their preparations for the high-level meeting and believed that UNCTAD should also assist them with preparations for negotiations in WTO on the new trade issues arising from the Singapore Ministerial Declaration.

28. The representative of Zimbabwe observed that the high-level meeting on least developed countries was a significant step, but still only a segment in the wider and larger processes of implementing the WTO Plan of Action for the Least Developed Countries. UNCTAD should be rightfully and actively involved in that initiative and in promoting the implementation of the Plan of Action in general. The least developed countries, in particular, must be fully involved in the preparatory process for the high-level meeting, including the large number of those countries that were not represented in Geneva. Regarding the effects on UNCTAD's work programme of the WTO Ministerial Conference, he argued that UNCTAD's current work programme on the Uruguay Round agreements was governed by the various decisions of UNCTAD's policy organs at their previous sessions, as well as the Midrand Declaration adopted by the ninth session of the United Nations Conference on Trade and Development.[1] He sought clarification on whether, in the light of all this, the Board needed to take a new decision to mandate UNCTAD to work on the new issues emerging from the WTO Ministerial Conference, or whether the existing mandates were sufficient for that purpose.

29. The representative of Japan, referring to the comprehensive and integrated WTO Plan of Action for the Least Developed Countries, said that marketing assistance to least developed countries should be examined as one of the agenda items in the context of technical assistance in the high-level meeting. There was also a need to examine at that meeting successful cases of foreign direct investments in the least developed countries by the developed countries and more advanced developing countries. The participation of representatives of the private sector in the meeting was of particular importance for the purposes of that examination.

30. The representative of Nepal said that least developed countries had not benefited from globalization and liberalization, nor from the results of the

Uruguay Round. That weak link in the multilateral trading system needed to be addressed. The Singapore Ministerial Declaration and the WTO Plan of Action manifested an emerging political will to enhance the participation of least developed countries in the multilateral trading system, as reflected in the convening of the high-level meeting. The meeting should be so devised as to respond to the Singapore Ministerial Declaration. In this respect, two points were worth mentioning. First, there should be closer cooperation between the three co-organizers (UNCTAD, WTO and ITC) in preparing the high-level meeting. He expressed appreciation for the informal note on the meeting prepared by the three organizations, the emphasis of which was appropriately placed on enhancing market access for least developed countries. But the removal of supply-side constraints in least developed countries was equally important to enable them to take advantage of the new market access opportunities. Both problems must be addressed by the high-level meeting. It was thus necessary to address measures related to such issues as investment, competitiveness and diversification, and not just technical assistance matters. Secondly, the inputs of least developed countries themselves to the preparatory process were important to ensure a well-prepared meeting that would achieve concrete results. The efforts made so far in that direction were encouraging. Finally, he expressed the wish to see the high-level meeting convened as soon as possible.

31. Responding to the point for clarification raised by the representative of Zimbabwe, the Secretary-General of UNCTAD stated that the UNCTAD secretariat was not limited by the decisions of the WTO Singapore Ministerial Declaration when it came to UNCTAD's own autonomous work programme. That applied not only to investment and competition, but also to the least developed countries. In the case of the least developed countries, the UNCTAD secretariat had been discussing a specific initiative that had come from WTO, namely that of holding the high-level meeting to address one among many issues that were important to the least developed countries, namely, how to increase market access, in terms of a concrete proposal made some time ago by the Director-General of WTO. That was why, in this case, UNCTAD was seeking to work in close coordination with WTO, but this did not mean that UNCTAD would not pursue its own programme on the least developed countries, related not only to trade but to other matters as well.

Action by the Board

32. The Board took note of the statements and comments made on agenda item 2 and agreed that they would be fully reflected in the final report on the fourteenth executive session.

II. COORDINATION AND COOPERATION BETWEEN UNCTAD AND RELEVANT INTERNATIONAL ORGANIZATIONS*

1. The Chief, Inter-organizational Affairs and Technical Cooperation, said that the focus of the secretariat note was on those international organizations with which UNCTAD was cooperating actively. The Secretary-General of UNCTAD had taken the lead in establishing formal ties with a number of relevant institutions. Examples of such ties included, in particular, the agreement with WTO, the joint communiqué between the Secretary-General of UNCTAD and the Director-General of UNIDO, and the joint ITC/UNCTAD/WTO programme of assistance to African countries in the follow-up to the Uruguay Round. Efforts in the same direction were being undertaken with the Bretton Woods institutions and with the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the regional commissions, to name a few.

2. The multifaceted nature of the work programme of UNCTAD, which was the focal point in the United Nations for the integrated treatment of development and interrelated issues in the areas of trade, finance, investment, technology, services and sustainable development, made cooperation with other organizations essential to the effective functioning of UNCTAD itself. The challenge for UNCTAD was to demonstrate where its comparative advantage lay and to focus on those activities in which its contribution could be most effective, while seeking synergies and making joint collaborative efforts to further strengthen its contribution to trade and development issues. The challenge entailed efforts at identifying and focusing on common priority objectives and priority themes, developing joint arrangements to respond to emerging requirements and concerting overall policies and strategies. An example was provided by the forthcoming high-level meeting on integrated initiatives for least developed countries' trade development which the WTO Ministerial Conference, held in Singapore in December 1996, had agreed should be organized jointly by ITC, UNCTAD and WTO.

3. The search for complementarities and synergies, however, should not restrict the scope for independent thinking, particularly on global economic analysis, which was an important part of UNCTAD's mandate. One must distinguish between those areas in which the involvement of more than one organization would mean duplication and those in which, on the contrary, intellectual pluralism enriched the current international debate on economic and development issues. Improved inter-organizational coordination and consistency of action by member States were essential to ensure better system-wide action. This matter would be reviewed by the Administrative Committee on Coordination (ACC) at its next session, scheduled to be held on 10 and 11 April 1997 in Geneva. Exchanges of information, facilitated by the evolution of cost-effective information technologies, were the basis for improved cooperation. However, cooperation could not rely on information alone; it required also the willingness of both partners to be open and to act in a spirit of reciprocation and partnership for the sake of the common system to which each organization belonged.

4. The spokeswoman for the Asian Group and China (Philippines) praised the very helpful paper prepared by the secretariat. Speaking on behalf of the

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* For its consideration of agenda item 3, the Board had before it a note by the UNCTAD secretariat entitled: "UNCTAD's cooperation with international organizations in the fields of trade and development" (TD/B/EX(14)/2 and Corr.1).

Philippines, she regretted the failure to mention links between UNCTAD and the Association of South-East Asian Nations and Asia-Pacific Economic Cooperation.

5. The representative of Pakistan asked the secretariat to clarify the second sentence in paragraph 21 and also the nature of the impediments to collaboration referred to in paragraph 28 of the note by the UNCTAD secretariat (TD/B/EX(14)/2 and Corr.1) regarding cooperation with the Bretton Woods institutions. He added that the independence of the UNCTAD secretariat should not be compromised and asked what mechanism UNCTAD envisaged for that purpose. He referred also to cooperation with the World Intellectual Property Organization (WIPO) and to the need for UNCTAD to contribute to the proposed treaty on databases and its developmental implications.

6. The representative of the Netherlands, speaking on behalf of the European Union, expressed overall satisfaction with the secretariat note, which provided a good inventory of current cooperation initiatives. A clear vision of future approaches to cooperation was necessary, as was the setting of priorities that reflected work programmes and budgetary constraints. He asked how many of the arrangements listed in annex II of the note (ibid.) were effectively operational. He felt that the information provided in paragraph 89 on cooperation with the European Commission could be expanded. Finally, in view of the importance of the relationship with WTO, he asked what type of mechanism was envisaged to prevent the cooperative work of UNCTAD, WTO and third parties from overlapping.

7. The spokesman for the African Group (Morocco) welcomed the thematic approach of the secretariat note, which facilitated discussion of the issue. He felt that more information could have been given on existing coordination in the framework of the ACC, in particular with regard to the United Nations System-wide Special Initiative on Africa and the specific role of UNCTAD, and on the implementation of the Programme of Action for the Least Developed Countries. Greater attention should also be given to the joint ITC/UNCTAD/WTO programme of assistance to African countries in the follow-up to the Uruguay Round, to cooperation with the Economic Commission for Africa (ECA) and UNDP, and to cooperation in the field of commodities, with particular focus on diversification.

8. The representative of Norway supported the statement made by the European Union and expressed the view that the secretariat note could have been much shorter. What was important was the quality and efficiency of the cooperative arrangements, not their quantity.

9. The spokesman for the Latin American and Caribbean Group (Jamaica) observed that cooperation was not an end in itself. It was supposed to improve the content of the policy dialogue, enrich the quality of UNCTAD's technical cooperation and be capable of providing performance criteria. The secretariat note needed to be read in the context of UNCTAD's overall strategy for technical cooperation, and cooperation should be pursued in particular in those areas where priorities had been defined in the work programme.

10. The representative of Mexico considered that more information could have been given in the note on cooperation with the United Nations Industrial Development Organization (UNIDO) and with the Economic and Social Council, in particular with respect to the work carried out in collaboration with the Commission on Sustainable Development.

11. The Chief, Inter-organizational Affairs and Technical Cooperation, provided clarification and further information in response to questions and comments of delegations.

Action by the Board

12. The Board took note of the report by the UNCTAD secretariat on this item (TD/B/EX(14)/2 and Corr.1) and encouraged the Secretary-General of UNCTAD to continue his efforts in improving coordination and cooperation between UNCTAD and other relevant international organizations. The Board decided that it should continue to monitor progress in this area.

III. TECHNICAL COOPERATION: STRATEGY FOR UNCTAD; 1997-1999 PLAN FOR TECHNICAL COOPERATION*

1. The Chief, Inter-organizational Affairs and Technical Cooperation, introducing the two sub-items, recalled the process of informal consultations that had led to the preparation of the draft strategy document and the main principles that lay behind it. It was the secretariat's understanding that the text was acceptable to all regional groups. He also explained the manner in which the 1997-1999 plan had been prepared, the summary tables being derived from the more detailed information presented in the working sheets. On the basis of project information, UNCTAD's technical cooperation delivery would be expected to be of the order of $24-25 million. Finally, he drew attention to some factual errors in the working sheets, which would be rectified in a corrigendum.

2. The spokesman for the Latin American and Caribbean Group (Jamaica) stated that his group could go along with the strategy. He suggested that it would be helpful if triangular cooperation were reflected in the worksheets for the plan and felt that the plan itself should indicate cooperation with other agencies and organizations. He noted that the Latin American and Caribbean Group was receiving the smallest share of technical cooperation among regional groups.

3. The representative of Ethiopia said that his delegation agreed with the proposed strategy. Referring to the worksheets, he observed that the amount proposed and approved for investment, technology and innovation policy reviews in Ethiopia appeared to be underestimated. He noted that some programmes, including that on commodities and natural resources, had made no proposals for least developed countries. Finally, he recalled that Ethiopia had offered to become a regional centre for TRAINFORTRADE and he enquired whether this was reflected in the plan.

4. The spokesman for the African Group (Morocco) also praised the secretariat for the strategy, the implementation of which was crucially dependent on the availability of resources. Concerning the plan, he noted that for Africa the balance between regional and national projects was skewed in favour of the former, and he recommended a greater country focus in line with the strategy.

5. The representative of the Netherlands, speaking on behalf of the European Union, said that he saw no difficulty with the strategy. However, in view of the late availability of the document, the Board might wish to consider adopting it ad referendum. He enquired whether the evaluations foreseen in paragraph 18 of the strategy (see TD/B/EX(14)/3) were in fact taking place, and requested information on the single secretariat entity on internal coordination mentioned in paragraph 22 (ibid.). Concerning the plan, he urged that it should clearly indicate how it fitted in with the strategy. The plan should not consist simply of a list of projects, and it should indicate not only what was envisaged for 1997 but also the projections for the two succeeding years. It would be helpful if the working sheets were to give information on starting dates and total project budgets.

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* For its consideration of agenda item 4, the Board had before it the following documents:

> Technical cooperation: (a) Strategy for UNCTAD; (b) 1997-1999 plan for technical cooperation. Part I: Note by the UNCTAD secretariat (TD/B/EX(14)/3); part II: Working sheets (TD/B/EX(14)/3/Add.1 and Corr.1).

6. The representative of Norway said that the secretariat had made a brave and commendable effort in preparing the plan. It would be useful, particularly for donors when they considered funding, if the secretariat could prepare a brief fact sheet on each programme, including the objective and the time-frame.

7. The spokeswoman for the Asian Group and China (Philippines) stated that the strategy was acceptable to her Group, but that it should be approved ad referendum. She noted that the Asian and Pacific region would have an increased share of technical cooperation activities in 1997, but was concerned at the apparent decrease for subsequent years. In view of the fact that there would be insufficient resources to carry out the proposed projects, she asked what formula would be used to allocate resources.

8. The representative of Switzerland expressed support for the strategy and plan. He recommended that there should be greater focus in the plan on country projects and that priorities should be established among programmes. In project design and execution it was important to have quality standards. There should be a basic level of core resources allocated to technical cooperation, so as not to make the programme less dependent on extrabudgetary funding.

9. The representative of the Russian Federation praised the secretariat's document on the technical cooperation activities, in particular the balanced approach it took vis-à-vis the economies in transition.

10. In response to the statements made, the Chief, Inter-organizational Affairs and Technical Cooperation, said that the various suggestions would be taken into account by the secretariat. Several of the specific questions raised would be followed up bilaterally. The discussion that had just taken place was viewed as part of the ongoing process of dialogue between delegations and the secretariat.

Action by the Board

11. The Board noted the progress in developing the technical cooperation strategy and requested the Secretary-General of UNCTAD to continue his consultations with a view to enabling the Board to adopt the strategy formally at its fifteenth executive session, in June 1997.

12. The Board also took note of the 1997-1999 plan for technical cooperation and the comments made thereon by delegations, and requested the Secretary-General of UNCTAD to take those comments into account in the implementation of the plan.

IV. PROGRESS REPORT ON THE WORK OF THE SECRETARIAT TASK FORCE ON PUBLICATIONS POLICY*

1. The President recalled that the Board had discussed the issue of publications policy at its forty-third session on the basis of conference room paper TD/B/43/CRP.4 and had endorsed the approach set out therein whereby a secretariat task force would report to the Secretary-General of UNCTAD and the latter would subsequently report to the Board.

2. The Chief of Programme, Planning and Assessment, speaking in his capacity as Chairman of the secretariat Task Force on Publications Policy, said that the Task Force would complete its report by the end of March 1997 as scheduled. The Task Force had reviewed all the relevant United Nations administrative provisions and held discussions with UNCTAD staff and the relevant services in the United Nations Office at Geneva, as well as at United Nations Headquarters. In addition, there had been a meeting on 27 February 1997 with the regional group coordinators.

3. The report of the Task Force would explain the role of publications in UNCTAD and make recommendations relating to each of the areas constituting the elements of a publications policy. It should be noted that UNCTAD's publications programme had been rationalized immediately after the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, and the proposed 1998-1999 work programme reflected a 15 per cent reduction in the volume of publications in relation to the pre-Midrand work programme. The detailed recommendations in the Task Force's report would concern, among other things: the creation of a mechanism in the secretariat to assume overall responsibility for overseeing the effective implementation of UNCTAD's publications policy; an improved planning process for the preparation of the publications programme within the framework of the proposed programme budget; planning of documentation for intergovernmental meetings; a collegial approach within the secretariat to the planning, production and clearance of UNCTAD's major reports; guidelines for parliamentary documentation; editing, translation and printing; technical innovation; sales, pricing, marketing and co-publishing; and assessment of publications and feedback.

4. The representative of the Netherlands, speaking on behalf of the European Union, said that it would have been useful to have the speaking notes well in advance of the session. Once the Secretary-General of UNCTAD had received the report of the secretariat Task Force, the next step would be for him to report to the Board and thus enable member States to give their views on UNCTAD's future publications policy. He observed, however, that the issue of publications did not appear on the draft provisional agendas for the Board's fifteenth special session or its forty-fourth session.

5. The representative of Ethiopia said that, if it were to be proposed that greater use should be made of Internet for the dissemination of UNCTAD documentation, a cost would be transferred from UNCTAD to developing countries. He therefore suggested that the resulting savings to UNCTAD should be reported, and the corresponding resources should be allocated to the trust fund for least developed countries.

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* For its consideration of agenda item 5, the Board had before it the speaking notes of the Chairman of the secretariat Task Force on Publications Policy.

6. The Secretary of the Trade and Development Board confirmed that the Secretary-General of UNCTAD would report to the Board, at a time to be determined. In the meantime, the issue of publications could be taken up at the monthly consultations of the President of the Trade and Development Board in order to allow a fuller exchange of views on the matter than had been possible at the executive session.

Action by the Board

7. The Board took note of the oral report by the Chairman of the secretariat Task Force on Publications Policy, as reflected in his speaking notes, and requested the Secretary-General of UNCTAD to proceed with the completion of his own report on UNCTAD's publications policy. The Board further agreed that the item would be taken up at the monthly consultations of the President scheduled for 30 April 1997.

V. REPORT OF THE PRESIDENT OF THE BOARD ON HIS CONSULTATIONS ON THE ISSUE OF INTERDEPENDENCE, LEAST DEVELOPED COUNTRIES AND THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990S; PROVISIONAL AGENDA FOR THE FORTY-FOURTH SESSION OF THE BOARD*

1. The President of the Trade and Development Board recalled that the Board, at its forty-third session, had invited him to conduct informal consultations designed to improve the way the Board addressed the issue of interdependence. At the monthly consultations of the President, on 31 January 1997, it had been decided to extend the coverage of the report of the President to include the item of the Board on the least developed countries and the United Nations New Agenda for the Development of Africa in the 1990s. Moreover, the Secretary-General of UNCTAD had addressed a communication to all heads of permanent missions in Geneva setting out his personal reflections on the functioning of the intergovernmental machinery of UNCTAD. The Secretary-General had received a considerable number of responses to those reflections.

2. For his part, the President said he had discussed with the Secretary-General of UNCTAD and his staff, on several occasions, ideas aimed at improving the functioning of the machinery and the manner in which the Board could address those subjects. They had sought to design the agendas and the organization of work of the Board in such a manner as to improve the focus of the main agenda items on interdependence, least developed countries and Africa, as well as to improve the quality of the panellists and to reduce their number in order to give delegations greater opportunity to discuss those substantive issues. The aim was to ensure that each of the items made a contribution to the high-level segment and that, when discussions were taking place in the Board, no parallel meetings should detract from participation in each of the items. Thus, the design aimed at improving efficiency, sharpening the focus and improving the quality of the substantive debate. Therefore, the provisional agenda of the forty-fourth regular session of the Board would focus on the main substantive issues as designated at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, while other procedural matters normally dealt with at the regular session had been allocated to the agenda of the fifteenth executive session to be held in June 1997, thus considerably freeing the regular session of the Board to focus on the main substantive items and the high-level segment.

3. The Secretary-General of UNCTAD said that, following the experience of the forty-third session of the Board, there had been consultations with delegations on how to make the forty-fourth session as businesslike and profitable as possible. One general conclusion to emerge was that, in future, preparations for the Board session as a whole and for each particular segment should be undertaken in close consultation and cooperation with the member countries. Such consultations would seek to so organize the meetings on the high-level segment and the other main issues (interdependence, least developed countries and the United Nations New Agenda for the Development of Africa in the 1990s) as to avoid overlap and interference.

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* For its consideration of agenda items 6 and 7, the Board had before it the following draft provisional agendas (available in English only): draft provisional agenda for the forty-fourth session of the Board and tentative schedule of in-session meetings; and draft provisional agenda for the fifteenth executive session of the Board.

4. Turning to the topic proposed for the high-level segment of the forty-fourth session of the Board - namely "Globalization, competition, competitiveness and development" - he outlined the economic thinking that had led to the proposal of that topic. He observed that the high-level segment would consider the issues raised through a comparative examination of successful development experiences. In particular, the following questions would be examined:

(a) What had been the role of exposure to competition in the development of competitiveness in developing countries that presented successful development experiences? Was there a need for policies for the promotion of competitiveness in supplementing the efficiency-creating effects of exposure to competition?

(b) Had there been conflicts between the promotion of competition and the attainment of other development objectives, including economic, social and cultural objectives? If so, how had they been dealt with? What had been the impact on competitiveness?

(c) How had globalization affected competition in world markets? What new concerns had been raised? What was the current thinking on how to address them?

(d) Had the risk of marginalization been increased by the changes in competitiveness brought about by globalization? If so, what policies could be devised in response?

5. He made it clear that these ideas were preliminary. He looked forward to frequent informal consultations between now and the fifteenth executive session of the Board in June 1997 on how to give concrete shape to the high-level segment on the basis of these or other ideas which delegations might put forward.

6. The spokeswoman for the Latin American and Caribbean Group (Jamaica) requested that an item on the financing of developing-country experts participating in UNCTAD meetings be placed on the agenda of the forty-fourth session of the Board. She recalled that, at the forty-third session, it had been agreed that the issue should be taken up again at the next regular session of the Board. Her Group had noted that the item was not on the provisional agenda for the forty-fourth session and therefore wished to request its inclusion so that the Board would be able to take note of what action had been taken on the trust fund for this purpose.

7. The representative of the Netherlands, speaking on behalf of the European Union, welcomed the ideas for a more focused and efficient treatment of interdependence, least developed countries and the United Nations New Agenda for the Development of Africa in the 1990s. He urged the secretariat, however, to limit the number of panellists invited to participate in the regular session. However useful, the expert panels must not be allowed to take up too much time at plenary sessions of the Board where the aim was to hold political discussions at the intergovernmental level. In general, it was a good idea to move the discussions on interdependence, least developed countries and the United Nations New Agenda in the direction of the high-level segment, since this would give greater coherence to the Board session and the high-level segment would cease to be an isolated event.

8. Regarding the Secretary-General's proposals for the high-level segment, he noted that this was the first time those ideas had been aired in a formal setting and that there was still much to be said on the substance proposed. At

the forty-third session, in 1996, the high-level topic had been insufficiently focused. The phrasing suggested for the high-level topic for the forty-fourth session, together with the proposal to feed in the outcome on several other substantive issues, meant that lack of focus remained a serious threat. He therefore argued that the topics - both for the high-level segment and for the interdependence item - should be approved in final form at the fifteenth executive session in June and that they should be subject to consultations in the meantime.

9. The representative of Nepal said that, with regard to the issue of competitiveness, it would be essential in selecting the case studies for analytical purposes to consider the various inherent reasons why some countries were more competitive than others. Thus, it was necessary to take account of the geographical element. As a landlocked country, for example, Nepal had always maintained the view that its very geography rendered it less competitive in many senses.

10. The spokesman for the African Group (Morocco) expressed his Group's appreciation for the President's oral report on item 6, in particular as it related to the integrated treatment of such issues as interdependence, least developed countries and the United Nations New Agenda for the Development of Africa in the 1990s. He was pleased to note the efforts made to raise the level of participation in dealing with the items on least developed countries and the United Nations New Agenda by eschewing parallel activities at the forty-fourth session which had hampered the proper consideration of those matters at the forty-third session, in 1996. He also welcomed the attempt to integrate those three items into the work done at the high-level segment. Nevertheless, he felt that the item on the United Nations New Agenda still needed to be more sharply focused on specific issues in order to highlight those areas that called for special measures. As for the item on least developed countries, his Group considered that it would be useful to have a third subparagraph relating to the follow-up work arising from the WTO/UNCTAD/ITC high-level meeting on least developed countries to be held in June 1997.

11. Turning to the provisional agenda for the forty-fourth session, he recalled that the African Group had twice proposed the inclusion of cross-sectoral issues in the Board's agenda. It was his understanding that no delegation or regional group had opposed that proposal. The African Group therefore questioned the manner in which those cross-sectoral issues were being dealt with following the decision taken at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, as reflected in paragraph 106 of the Midrand final document,[1] which stated that cross-sectoral issues should be integrated into the work of the intergovernmental machinery.

12. With regard to the schedule proposed for the forty-fourth session of the Board, his Group had noted with concern that the session would have only eight and a half days at its disposal, contrary to the provision adopted at Midrand that the regular sessions should have a duration of 10 days.

13. Finally, he said that the African Group supported in general the theme proposed for the high-level segment of the forty-fourth session but hoped that the issues might be more precisely targeted through further consultations. He also wished to see the outcome of the high-level segment recorded, in one form or another.

14. The representative of the United States of America agreed with the European Union view that further intense consultations would be needed on the Secretary-

General's proposals on topics for the high-level segment, to make sure the topics were dealt with in a way that would yield the most benefit for member States in developing their own national policies. In this connection, he recalled that the Midrand final document referred specifically to issues related to competition law, as opposed to competition policy, and the United States had long believed that the former was the more appropriate aspect for UNCTAD to focus on.

15. As for the proposal to add to the agenda of the forty-fourth session the item on the expert funding issue and the related trust fund, he observed that the President's consultations on this issue had already come a long way towards reaching agreement on at least a trial modus operandi for a trust fund. He felt that the delegations and regional groups were now so close to an agreement which would allow the Secretary-General to go forward that they should pursue their consultations single-mindedly. Having reached agreement at the level of the consultations, the participants could then consider the best way to take up further deliberations on this topic, be it at the fifteenth executive session, in June, or at the forty-fourth session, in October. He therefore hoped that the Board would defer placing this issue on any specific agenda for the time being.

16. The representative of India shared the view that fewer panellists should be invited to participate in the Board's regular session. Last year the panellists' contributions had been rushed and there had not been adequate time for further exchanges with delegations. Panellists, and member States for that matter, should make less formal presentations and avoid long written statements. It was essential, moreover, that a summary report should be prepared on the presentations by panellists to enable national capitals to benefit from their expertise and to assist delegations that might not have been able to attend the whole high-level segment.

17. Regarding the theme for the high-level segment, his delegation would like to see more discussion on policy matters - both global and national - as opposed to the focus on national experiences. Useful as they might be, national experiences were often exclusive to the countries concerned and could not always be replicated.

18. The spokeswoman for the Asian Group and China (Philippines) sought clarification on why "competitiveness" had been included in the topic for the high-level segment, when this term had not appeared in an earlier draft. She noted that it would still be possible to hold serious consultations on the theme as presented by the Secretary-General.

19. The Asian Group and China supported the two provisional agendas presented by the Secretary-General of UNCTAD, and the proposed date for the high-level segment (23 October 1997) was also acceptable. In connection with the organization of work of the forty-fourth session, she noted with appreciation the awareness expressed by the Secretary-General of the differentiated levels of national development among the developing countries, that is, the least developed countries, the intermediate economies and emerging economies. Her Group hoped that UNCTAD's focus on the least developed countries would not be at the expense of the development of the other developing countries.

20. The representative of Pakistan expressed support for the proposal that the item on financing of developing-country experts in UNCTAD meetings should be placed on the agenda of the forty-fourth session under "Other business", as mandated by the Board at its forty-third session. Even if the President's

consultations did manage to agree on an arrangement for financing the participation of experts, the Board would still need to review how well the arrangement was working.

21. He echoed the concern expressed by the African Group at the shorter duration envisaged for the forty-fourth session of the Board and he sought clarification on why this had happened.

22. Finally, he expressed the view that the informal consultations on the high-level segment should seek to clarify how the interdependence item would be related to the topic for the high-level segment, in order to avoid a meandering approach to the high-level segment.

23. The representative of Chile agreed that the item on the financing of experts should be included in the agenda for the forty-fourth session. Even if the President's consultations were successful, the Board could still review the matter. Furthermore, referring to subparagraph 3 (e) of Board agreed conclusions 438 (XLIII), in which the Board had requested the Secretary-General of UNCTAD to report to it as soon as possible on the Midrand decision concerning reallocation of a part of the savings resulting from the improved overall cost-effectiveness of UNCTAD, he asked when the secretariat intended to present the report in question.

24. The representative of the Russian Federation, referring to the provisional agenda for the forty-fourth session of the Board, expressed support for focusing the session on a few substantive items and considered that the proposal to place the high-level segment at the end of the session was rational. The proposed topic of the high-level segment was of a high interest to his Government, since the system of government regulation of competition in his country was only now developing after many years of intense monopolization under the Soviet economy. In this context, he regretted that an important technical assistance project for the Russian Federation and other countries of the Commonwealth of Independent States on development and protection of free competition had not been followed up by the secretariat for more than a year. He suggested that more specific themes could be included for consideration at the high-level segment, namely "Conditions of application of competition legislation to monopolies and enterprises having special or exclusive rights" and "Tasks of competition agencies in ensuring effective competitive markets". Finally, he felt it was important that the high-level segment's work should result in a separate sessional record.

25. Responding to the point raised by the representative of Chile, the Deputy Secretary-General of UNCTAD said that the formal proposals that would be made by the Secretary-General of UNCTAD, through the Secretary-General of the United Nations, to the General Assembly would probably be the subject of supplements to the budget. The Budget Division did not consider that it could incorporate this issue in the present budget that was about to be finalized. There appeared still to be some uncertainty at United Nations Headquarters as to the exact sequence of events, and in particular whether the Secretary-General of UNCTAD was entitled to share his views with the Board before transmitting them to Headquarters. However, the secretariat intended to give some form of progress report to the next monthly consultations on its own thinking about the matter. The secretariat was still assuming that it would be producing a proposal which would be discussed with the members of the Board and then, on the strength of the recommendations given by the Board, finalized vis-à-vis Headquarters.

Action by the Board

26. The Board approved the theme of the high-level segment of its forty-fourth session ("Globalization, competition, competitiveness and development") and the date of the high-level segment (23 October 1997). The Board took note of the design of the forty-fourth session, as circulated in the tabulation by the secretariat, and of the statement by the Secretary-General of UNCTAD concerning his intention to hold consultations with delegations on focusing the theme of the high-level segment as the substantive preparations of the secretariat began, and to report his thinking to the Board.

27. The Board further noted that the President intended to continue his consultations on item 6 and that, at the next monthly consultations of the President, on 30 April 1997, there would also be an opportunity to discuss detailed proposals by the Secretary-General of UNCTAD on the organization of the events connected with the high-level segment.

28. The Board took note of the President's statement that his consultations on the establishment of a trust fund to enhance the participation of developing countries' experts in UNCTAD meetings were progressing well, that he intended to report fully on the outcome at the next round of monthly consultations and that he was keeping in mind that this matter may be placed on the agenda of the Board as mandated by the decision of the Board without prejudice to an early successful conclusion of agreement on the item.

29. Finally, the Board approved the draft provisional agendas for its fifteenth executive session and its forty-fourth regular session (see annexes II and III).

VI. OTHER BUSINESS

A. Progress in the reorganization of the UNCTAD secretariat

1. The Deputy Secretary-General of UNCTAD recalled that, on 24 February 1997, a document was distributed to all delegations entitled "UNCTAD divisions, structure, areas of work and work assignments". While the document gave fairly detailed information on the current structure and staff assignments of the secretariat, it was not a formal organigram because (i) it did not refer to branches, sections or units, (ii) it had not been approved by the Department of Management of the United Nations Secretariat in New York, and (iii) staff had not been formally placed against posts, which could only be done after the organigram had been formalized. However, the UNCTAD secretariat had used that structure as a basis for requesting the United Nations Under-Secretary-General for Management to approve the basic divisional structure and the structure of the "second layer" (branches) with a view to being able to resume the recruitment process, particularly for the vacant D.2, D.1 and P.5 posts. The response of the Under-Secretary-General had been very positive and it seemed likely that in the near future the secretariat would get an agreement to the basic structure in terms of divisions and branches, and hence approval to announce the above-mentioned vacancies. For the rest, he was hoping that UNCTAD would not be called upon to establish in detail sections or units in order to retain some organizational flexibility. In fact, below the level of branches the secretariat would like to operate either with teams or with task forces. They would still have Chiefs, who would be identified in the organigram, but the idea was that the secretariat would be able to make changes at this level in order to respond swiftly to the orientations given by UNCTAD's intergovernmental bodies, without having to refer every time to Headquarters for a change in the organization manual and in the job descriptions. The response to these proposals appeared also to be positive.

2. As for 1998-1999, the programme budget was now being finalized and would again be based on the structure of subprogrammes and divisions of which the Working Party on the Medium-term Plan and the Programme Budget had been apprised. UNCTAD was making a substantial effort to contribute to the overall streamlining of the United Nations and would be proposing a reduction of the order of 12 per cent in the number of posts.

3. In general, Headquarters felt that the reform process in UNCTAD was going well, and it was in fact being held up as a model for other parts of the system. Therefore, the current restructuring that had been proposed, or in some cases announced, at Headquarters did not directly affect UNCTAD. Having outlined the new management and reform machinery established at Headquarters, he said that the main point of immediate interest to UNCTAD was the attempt to rationalize the production of the Organization's flagship reports - the Trade and Development Report, the World Investment Report, the World Economic and Social Survey and the Human Development Report. The idea was not to merge those reports but rather to find ways in which their complementarity could be made more synergetic. To that end, the reports would be subject to a review by the United Nations University's World Institute for Development Economics Research for the economics side and by the United Nations Research Institute for Social Development for the social side.

4. The representatives of Morocco (on behalf of the African Group), Egypt, Pakistan, Cuba, Saudi Arabia, Algeria, China and Uganda expressed profound concern that the Special Economic Unit for assistance to the Palestinian People

was not included in the secretariat's organizational document. The situation in the Palestinian territory needed special treatment and they therefore called for the Unit to be re-established in the near future.

Action by the Board

5. The Board took note of the statement by the Deputy Secretary-General of UNCTAD on progress in the reorganization of the UNCTAD secretariat.

B. Membership of the Working Party on the Medium-term Plan and the Programme Budget, 1997

Action by the Board

6. The Board noted that the 19 members of the Working Party on the Medium-term Plan and the Programme Budget for 1997, as designated by the regional groups, were as follows:

> Australia, Argentina, Bulgaria, Chile, China, Ethiopia, Germany, Iran (Islamic Republic of), Japan, Mexico, Morocco, Norway, Philippines, Poland, Russian Federation, South Africa, Sri Lanka, United Kingdom of Great Britain and Northern Ireland and United States of America.

7. The Board also noted that the dates scheduled in the calendar of meetings for the second part of the twenty-ninth session of the Working Party (14-16 April 1997) had been changed to 21-23 May 1997.

VII. ORGANIZATIONAL MATTERS

A. Opening of the session

1. The fourteenth executive session of the Trade and Development Board was opened on 24 March 1997 by Mr. Patrick Sinyinza (Zambia), President of the Board.

B. Bureau of the fourteenth executive session

2. There being no change in the elected officers of the Bureau since the forty-third session, the Bureau of the Board at its fourteenth executive session was as follows:

President: Mr. Patrick Sinyinza (Zambia)

Vice-Presidents:
Mr. Anton Bebler (Slovenia)
Mr. Krit Garnjana-Goonchorn (Thailand)
Mrs. Arundhati Ghose (India)
Mr. Peter R. Jenkins (United Kingdom)
Mr. Andrei Kolossovsky (Russian Federation)
Mr. Alexander A. Kravetz (El Salvador)
Mr. Björn Skogmo (Norway)
Mr. Daniel L. Spiegel (United States of America)
Mr. Fisseha Yimer Aboye (Ethiopia)
Mr. Jun Yokota (Japan)

Rapporteur: Mrs. Violeta Fonseca de Sanabria (Venezuela)

C. Adoption of the agenda

3. At its 882nd meeting, on 24 March 1997, the Board adopted the provisional agenda for its fourteenth executive session, as circulated in TD/B/EX(14)/1 (see annex I).

D. Report of the Board on its fourteenth executive session

4. In accordance with past practice, the Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its fourteenth executive session.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

Annex I

Agenda of the fourteenth executive session of the Board

1. Adoption of the agenda

2. Issues arising in the wake of the World Trade Organization Ministerial Conference for analysis in UNCTAD from a development perspective

3. Coordination and cooperation between UNCTAD and relevant international organizations

4. Technical cooperation:

    (a) Strategy for UNCTAD;

    (b) 1997-1999 plan for technical cooperation

5. Progress report on the work of the secretariat task force on publications policy

6. Report of the President on his consultations designed to improve the way the Board addresses the issue of interdependence, including least developed countries and the United Nations New Agenda for the Development of Africa in the 1990s

7. Provisional agenda for the forty-fourth session of the Board

8. Other business:

    (a) Progress in the reorganization of the UNCTAD secretariat;

    (b) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1997

9. Report of the Board on its fourteenth executive session.

Annex II

Provisional agenda for the fifteenth executive session of the Board

1. Adoption of the agenda

2. Matters requiring action by the Board in follow-up to the ninth session of the United Nations Conference on Trade and Development and arising from or related to reports and activities of its subsidiary and other bodies:

    (a) Reports of the Commissions on their first sessions;

    (b) Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-ninth session;

    (c) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development;

    (d) Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in Board agreed conclusions 436 (XLIII): Development in Africa

3. Other matters in the field of trade and development:

    (a) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session;

    (b) Report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session

4. Institutional, organizational, administrative and related matters:

    (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

    (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

5. Other business

6. Report of the Board on its fifteenth executive session.

Annex III

Provisional agenda for the forty-fourth session of the Board

1. Procedural matters:
    - (a) Election of officers;
    - (b) Adoption of the agenda and organization of the work of the session;
    - (c) Adoption of the report on credentials;
    - (d) Provisional agenda for the forty-fifth session of the Board
2. Segment for high-level participation: globalization, competition, competitiveness and development
3. Interdependence and global economic issues from a trade and development perspective: income distribution and growth in a global context
4. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:
    - (a) Policy reforms in agriculture and their implications for least developed countries' development;
    - (b) Contribution by the Board to the consideration of the General Assembly, at its fifty-second session, of holding a third United Nations Conference on the Least Developed Countries
5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues
6. Technical cooperation activities:
    - (a) Review of technical cooperation activities of UNCTAD;
    - (b) Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people
7. Institutional, organizational, administrative and related matters:
    - (a) Review of the calendar of meetings;
    - (b) Administrative and financial implications of the actions of the Board
8. Other business
9. Adoption of the report of the Board on its forty-fourth session.

Annex IV

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Afghanistan
Algeria
Argentina
Australia
Austria
Bangladesh
Belarus
Bhutan
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Cuba
Czech Republic
Democratic People's Republic of Korea
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Gabon
Germany
Ghana
Greece
Haiti
Hungary
Iceland
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Latvia
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Slovakia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Venezuela
Viet Nam
Yemen
Zambia
Zimbabwe

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* For the list of participants, see TD/B/EX(14)/INF.1.

2. The following members of UNCTAD, not members of the Board, were represented as observers at the session:

Brunei Darussalam
Holy See

3. The United Nations Environment Programme and the International Trade Centre UNCTAD/WTO were represented at the session.

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
United Nations Industrial Development Organization
The World Trade Organization

5. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Cooperation
European Community
League of Arab States
Organization of African Unity
Organization of the Islamic Conference

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Organization for Standardization
World Federation of United Nations Associations
World Vision International

Special Category

Consumers International

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS FIFTEENTH EXECUTIVE SESSION

Held at Geneva on 27 June 1997

I. MATTERS REQUIRING ACTION BY THE BOARD IN FOLLOW-UP TO THE NINTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT AND ARISING FROM REPORTS OF ITS SUBSIDIARY AND OTHER BODIES

A. Reports of the Commissions on their first sessions

1. Report of the Commission on Trade in Goods and Services, and Commodities (Commission 1) on its first session

1. The Board took note of the report of the Commission on Trade in Goods and Services, and Commodities on its first session, held from 6 to 8 November 1996 and from 19 to 21 February 1997 (TD/B/44/5-TD/B/COM.1/6), and endorsed the two agreed conclusions in annex I of the report.

2. Report of the Commission on Investment, Technology and Related Financial Issues (Commission 2) on its first session

2. The Board took note of the report of the Commission on Investment, Technology and Related Financial Issues on its first session, held from 18 to 22 November 1996 and 7 February 1997 (TD/B/44/5-TD/B/COM.2/4), and endorsed the agreed conclusions in annex I of the report, on the understanding that the question of the status of the Expert Meeting on Competition Law and Policy and of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and their relationship with the other expert meetings of the Commission were the subject of further consultations by the President of the Board.

Statements made in connection with the report of Commission 2

3. The spokesman for the Latin American and Caribbean Group (Mexico), referring to the juridical status of the Expert Meeting on Competition Law and Policy and of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) in the wake of the restructuring, at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, of UNCTAD's intergovernmental machinery, stated that the Latin American and Caribbean Group had taken due note of the President's decision to invite a member of the Bureau to resume informal consultations, open to all interested delegations, to consider the legal situation of the two expert groups. He requested that the consultations take as their basis the opinion handed down by the United Nations Legal Counsel, dated 29 May 1997. The position of the Latin American and Caribbean Group was that the two expert groups continued to exist in the framework of the intergovernmental machinery of UNCTAD, that their juridical identity was different from that of the expert meetings provided for in paragraph 114 of the Midrand final document,[1] and that they were not subject to the agreed limit on the annual establishment of a maximum of 10 expert meetings by the Board's Commissions.

4. The representative of Brazil endorsed the statement by the spokesman for the Latin American and Caribbean Group. He too felt that it was important to ensure that the proposed consultations were open-ended and that they should take full account of the opinion given by the United Nations Legal Counsel on the status of the two expert groups.

5. The representative of China expressed his delegation's support for the position of the Latin American and Caribbean Group on this issue. The authority for the President to hold consultations on the status of the two expert groups derived from the agreed conclusions adopted at the first session of Commission 2. With particular reference to ISAR, he recalled that that Group had been established by the Economic and Social Council and the General Assembly. Moreover, ISAR was specifically mentioned in the Midrand final document. He therefore considered that ISAR should continue to exist with its original status intact. He welcomed the proposed informal consultations.

6. The representative of the Netherlands, speaking on behalf of the European Union, observed that the problem of the exact status of the two expert groups was blocking progress in the respective areas of UNCTAD's work. He therefore welcomed the forthcoming consultations. In this connection, he stated that the presidency of the European Union would pass to another member country as from 30 June 1997 but that, in order to ensure continuity on this particular question, the European Union would be represented in the consultations by both the current and the incoming coordinators.

7. The spokesman for the African Group (Morocco) said that his Group strongly supported the continued existence of the two expert groups. He looked forward to the informal consultations and requested that other regional groups should be allowed to be represented by two coordinators if they so wished.

8. Referring to the procedural aspects of the forthcoming consultations, the representative of Pakistan urged the Vice-President who would be holding the consultations to be as flexible as possible in inviting participants. While he recognized that too many participants might complicate matters, he felt that a flexible approach on participation would make for greater progress.

3. Report of the Commission on Enterprise, Business Facilitation and Development (Commission 3) on its first session

9. The Board took note of the report of the Commission on Enterprise, Business Facilitation and Development on its first session, held from 20 to 24 January 1997 (TD/B/44/2-TD/B/COM.3/4), and endorsed the agreed conclusions in annexes I and II of the report.

4. Debate on the functioning of the new intergovernmental machinery of UNCTAD, in particular the Commissions and the expert meetings, since the ninth session of the United Nations Conference on Trade and Development

10. The Secretary-General of UNCTAD observed that the experience gained so far from the first round of the Commissions was not sufficient for drawing hard-and-fast conclusions as to how the machinery established in UNCTAD was functioning. The information available at the moment was incomplete and might offer only partial perspectives that would not enable the Board to reach sound conclusions or pass judgement on the performance of the Commissions. The valuable advice and written comments he had received in response to his request for assessments of the functioning of UNCTAD's intergovernmental machinery had inspired him to propose a methodology that would allow the Board time to have a fruitful debate on the matter. The methodology in question had the following elements:

(a) All the Chairpersons should be requested to provide their own evaluations of their experiences in conducting the work of their Commission or expert group; suggestions for improvement or changes in the approaches adopted should be sought from them;

(b) An attempt at a rational and intelligent assessment of the expert groups should be made by taking into account responses to a questionnaire that the secretariat was preparing for the experts on their own personal assessment. Through networking and contacts, the secretariat would try to elicit the necessary information and to ensure that in future each expert meeting would have before it a questionnaire on all relevant aspects of the work undertaken. The views of experts and delegations, supported by statistical analysis, would be sought on broad issues, such as balance in the distribution of experts, choice of subjects covered, the organization of meetings and panels, whether the subjects discussed had been exhausted or needed follow-up, and the nature of conclusions, recommendations and outcomes;

(c) Once the secretariat had collected such information - in addition to that which it already had in its possession - it would be possible to have a meaningful discussion that would take into account the lessons learnt. This could be effected through an informal process leading to the mid-term review and/or in discussions at an executive session of the Board, but it should be a gradual process of assessment supported by written contributions in accordance with the methodology he had suggested.

11. The Chairman of the Commission on Trade in Goods and Services, and Commodities (France) observed that the discussions during the first session of Commission 1 had been marked by an altogether excessive attention to procedural matters, especially regarding the choice of themes to be assigned to the expert meetings. As a result, the themes had at times been over-refined, imperfectly linked to the agenda of the second session of the Commission, and not always of obvious relevance to the future needs and work of UNCTAD. The substantive debate had on the whole been disappointing, being inconclusive and unlikely to contribute to policy-making in the member countries. No doubt the agenda items had been too general, and this in turn had meant that the delegations had not always included experts who might have engaged in a more fruitful debate. He felt that if the Commissions were to function in a "closed circuit" whereby they were mainly concerned with organizing their future work, considerable harm would be done to the capacity of the new intergovernmental machinery to fulfil the mandate given to it at the ninth session of the United Nations Conference on Trade and Development. Major changes were thus both necessary and urgent.

12. At the same time, the first round of expert meetings had been the scene of interesting discussions and had for the most part been spared from political or procedural considerations. They had put forward interesting ideas and had suggested work that UNCTAD could undertake in future. It was now essential to make the best use of their suggestions.

13. With a view to perfecting the functioning of the Commissions and ensuring that they articulated properly with the expert meetings and the Board, he outlined for consideration the following objectives and tentative solutions:

(a) The substantive agenda items should relate to more specific and more topical questions that were likely to attract economic policy experts;

(b) Recourse should continue to be had to panels, with external experts making presentations of experiences and concrete situations that were specific and fairly technical. At the same time, care should be taken to organize a satisfactory link and interaction with the traditional intergovernmental debate;

(c) It was essential that the Commissions should derive maximum benefit from the expert meetings and that they should use this "asset" in selecting themes for the following meetings. In this regard, each Commission might do well to take account of relevant outcomes of expert meetings other than its own. It would be disastrous for a Commission to give the impression that it was not making use of the work of expert meetings which it had itself convened: one could well imagine the deterrent effect this would have on participation of experts in those meetings;

(d) One should try to devise themes for expert meetings that were simple, precise and relevant, and that corresponded to the development needs of member States, with a view to attracting high-level experts;

(e) Reasonable, but judicious and effective, use should be made of preliminary consultations and secretariat documents in the preparatory process for intergovernmental meetings;

(f) The managerial prerogatives of the Bureau of the Board, meeting in non-extended session, should be preserved;

(g) An attempt should be made to establish a degree of coherence between the substantive sessions of the Board and the sessions of the Commissions, to enable the expertise of the expert meetings to find its way up to the Board and, inversely, to allow the Commissions to take due account of the deliberations of the Board.

14. The Chairman of the Commission on Enterprise, Business Facilitation and Development (Costa Rica) said that the debate in Commission 3 had been fast-moving and to the point. The themes had been well chosen and had retained the interest of the participants. He wished, however, to mention two aspects in which there was room for improvement:

(a) Regarding the work of the panels, while the individual contributions had been of a high level and interesting, there was a general problem with the time taken up by the panels, which had been long when compared with the time available for the intergovernmental debate. Furthermore, the work of the Commissions could be enriched if, following the panel, an analysis could be made of the contents of the panellists' discussions;

(b) As for the presentations themselves, all of them had been pitched at a high technical level and had provided interesting and useful information for countries that did not have expertise in the subject under discussion. But the outcome of the Commission could have been more fruitful if a greater number of specialists from national capitals had been able to participate in the panel discussions. This need should be taken into account in the organization of future sessions of the Commissions.

15. The representative of Switzerland said his delegation shared the view of the Chairman of Commission 1 that the functioning of the new intergovernmental machinery did present certain difficulties. While there were differences in the performance of the three Commissions, he observed that the UNCTAD machinery was beset by a systemic problem, namely, that of functioning in a closed circuit. In a formal sense, the Commissions had indeed functioned and at times even achieved results of some substance, but he felt that the spirit of Midrand was

somehow missing. The innovations adopted at the ninth session of the United Nations Conference on Trade and Development aimed to ensure that the Board, the Commissions and the subsidiary bodies of the Commissions would function as a living body, interacting in such a way as to achieve a constant regeneration of the substantive work, based on direct contact with the realities of the outside world. His delegation would therefore examine with great interest the proposals made by the Chairman of Commission 1.

16. Regarding the reports of the Commissions, he pointed out that a new situation would occur towards the end of 1997 with the convening by the World Trade Organization of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development. Therefore, the programme elements set forth in the reports of the Commissions should take full account of the outcome of the High-level Meeting, and it would be appropriate for the Board to give practical instructions to its Commissions in this respect.

17. The representatives of the Netherlands, speaking on behalf of the European Union, considered that there were two issues at hand with regard to the functioning of the new intergovernmental machinery. The first was essentially a matter of substance: was the substantive work done by the Commissions and the expert meetings sufficiently relevant to, and in line with, the overall mandate given to UNCTAD at the ninth session of the Conference? This aspect might indeed involve a discussion for which the Board was not yet ready, and its consideration should perhaps be deferred until the mid-term review, i.e., after the convening of the second sessions of the Commissions. The second issue was that of the functioning of the machinery, including the interface between the expert meetings and the Commissions, as well as among the three Commissions themselves, and between the latter and the Board. In the view of the European Union, a debate on this aspect did appear to be urgent and could not wait until the mid-term review, since there was a need to clarify how the results of the expert meetings held so far would be fed into the second sessions of the Commissions. It would also be necessary to make sure that the Commissions devoted their time to policy debates rather than to procedural discussions. In this endeavour, the secretariat should assume a proactive preparatory role.

18. The representative of Norway agreed with the European Union view that the functional aspects of the new intergovernmental machinery could be examined without waiting for the mid-term review. He also agreed very much with the assessment and the seven proposals for improvement just outlined by the Chairman of Commission 1, which were clear and highly relevant. Commenting on the third proposal, namely, the need for the Commissions to ensure that they derived the utmost benefit from the work of the expert meetings, he emphasized his delegation's view that the expert meetings must be truly expert in terms of participation in them. Although the experts might be nominated by their Governments, they were expected to participate in their personal expert capacity and not as national representatives. It was at a later stage, when the Commissions came to consider the reports of the expert meetings, that government representatives could rightly voice their views on the work and outcomes of the meetings, especially at the stage when they were drawing up their recommendations or conclusions, but rather to observe and learn.

19. The spokesman for the African Group (Morocco) expressed the view that it was not possible to separate the substantive and the functional components of the intergovernmental machinery. Moreover, the African Group had not come prepared for an in-depth discussion of the machinery at the present session of the Board. His Group would prefer to wait until after the second sessions of the Commissions before engaging in a review and assessment of the new

mechanisms. He therefore supported the methodology proposed by the Secretary-General of UNCTAD.

20. The representative of South Africa expressed agreement with the observations made by other delegations on the item. Although undoubtedly more time was needed before a full assessment could be made of the workings of the new machinery, he recalled the general consensus at the ninth session of the United Nations Conference on Trade and Development that the intergovernmental machinery then in place had not been functioning well and that urgent reform was necessary. There had been a growing awareness in recent weeks that problems remained, an awareness that was reflected in the questionnaire sent out by the Secretary-General of UNCTAD. In his delegation's view, the UNCTAD membership should already be engaged in an informal process of fine tuning.

21. The representative of Turkey agreed that it was still necessary to consider how to improve the working methods in UNCTAD. She felt that procedural matters had taken up too much time in formal meetings. As yet, there were no guidelines on the manner of interaction between the Commissions and their expert meetings or on the lines of reporting and follow-up. Finally, she considered that the substantive outcome of the Commissions had so far been fairly meagre and general. Her delegation had hoped that the specialists participating in the panels would generate a lively exchange among delegations, but the setting had proved rather too formal to allow for such interaction.

B. Report of the Working Party on the Medium-term Plan and the Programme Budget

22. The Chairman of the Working Party on the Medium-term Plan and the Programme Budget at its twenty-ninth session (Norway), reporting orally on the outcome of the session, which was held on 16 and 17 January and from 13 to 16 June 1997, outlined the main agreed conclusions and the discussions that had taken place. He expressed satisfaction that, while there had been a number of comments from the member States on specific items or issues, the Working Party had agreed that the proposed programme budget provided an adequate basis for UNCTAD to carry out its mandate. The text of the agreed conclusions and the Chairman's summary of the discussion were available to the Board (TD/B/WP/L.77). He alluded to the difficulties he had faced owing to the short time available and the divergent views among member States on several issues. Finally, he reported that the agreed conclusions and the Chairman's summary had been transmitted to the respective Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Committee for Programme and Coordination (CPC).

23. The Deputy Secretary-General of UNCTAD informed the Board of the discussions in the ACABQ and the CPC, on 23 and 25 June 1997, respectively, on the UNCTAD section of the proposed programme budget. In both Committees, a number of member States had supported the reform process of UNCTAD and the main points of the agreed conclusions of the Working Party. It had also been suggested that the Working Party could come back later to the issue of publications policy and to review the list of publications. The UNCTAD secretariat had made several clarifications in the Committees, such as on the comparison of the intergovernmental machinery before and after the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996; the consistency between the reduction in resources and the streamlining of mandates at Midrand; the wealth of information provided on publications; and the fact that the island and landlocked developing countries had become a cross-cutting issue while not being accorded less importance, and

that the posts provided by the General Assembly on the issue of small island States would be retained.

24. The spokesman for the Latin American and Caribbean Group (Mexico), referring to the report on the outcome of the twenty-ninth session of the Working Party and the Chairman's oral report, observed that the Working Party had not come up with substantive agreements except on the issue of least developed countries, which his Group supported. Specifically, he regretted that the Working Party had not been able to agree to reallocate savings to finance the participation of experts from developing countries in the expert meetings. He added that this position enjoyed the full support of the African and Asian Groups.

25. The representative of the Netherlands, speaking on behalf of the European Union, thanked the Chairman of the Working Party for his efforts. He asked for clarification on how the outcome of the Working Party had been presented to the ACABQ and CPC.

26. The representative of the United States of America thanked the Chairman of the Working Party for his effort under the difficult circumstances and expressed his disagreement with the views expressed by the spokesman for the Latin American and Caribbean Group.

27. The Deputy Secretary-General of UNCTAD explained that the document containing the outcome had been circulated to the members of both the ACABQ and the CPC and introduced by the respective Chairman to the meeting. It had then been up to each member State to pick up any particular points during the meetings.

Action by the Board

28. The Board took note of the outcome of the twenty-ninth session of the Working Party on the Medium-term Plan and the Programme Budget, which dealt mainly with the proposed programme budget for the biennium 1998-1999.*

C. Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development

29. In accordance with the provisions of paragraph 118 of the Midrand final document,[1] the Secretary-General of UNCTAD reported on the progress made on preparations for a meeting with actors in development. (For the statement by the Secretary-General of UNCTAD, see annex II.)

30. The representative of the Netherlands, speaking on behalf of the European Union, expressed appreciation for the statement made by the Secretary-General of UNCTAD. She commended the Secretary-General for his creative and innovative approach and said that the European Union would like to be briefed by the Secretary-General on further developments of this nature.

31. The representative of Ethiopia expressed his appreciation for the high-minded ideas put forward by the Secretary-General of UNCTAD. As a least developed country, Ethiopia lacked resources for investment and technology. It was thus important to ensure that globalization should not further marginalize

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* The full report of the Working Party on its twenty-ninth session was issued in TD/B/EX(15)/6-TD/B/WP/101.

the least developed countries but rather that it integrate them into the global economy. The topic suggested by the Secretary-General of UNCTAD should reflect the direct concerns of least developed countries.

32. The representative of Madagascar thanked the Secretary-General of UNCTAD for his concrete and action-oriented proposals. The lessons learned from the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries (held at Geneva from 23 to 25 June 1997) would contribute to the efforts made by the Secretary-General.

33. The representative of Turkey expressed appreciation to the Secretary-General of UNCTAD for his ideas. She felt that further consultations were needed to mobilize public awareness and that there was also a need to conduct consultations with organizations like the World Economic Forum, the United Nations Institute for Training and Research (UNITAR) and regional organizations. She expressed satisfaction at the offer made by the Government of France to host the "Partners for Development" meeting in Lyon in 1998.

34. The representative of Brazil said he looked forward to the continued consultations with the Secretary-General on this matter. When one spoke of actors in development, that concept included the civil society, non-governmental organizations and the private sector. The question of environment should also be taken into account. In this context, he referred to the nineteenth special session of the General Assembly being held in New York to review Agenda 21 and the approval by the General Assembly at its resumed fifty-first session of the Agenda for Development (resolution 51/240). Finally, he emphasized that the "Partners for Development" meeting should take into account the social dimension of development.

35. Responding to some of the questions, the Secretary-General of UNCTAD said that the briefing he had just given marked only the first step towards the Partners for Development meeting in Lyon. He explained that he had not been able to provide information to delegations on this matter earlier owing to the complicated legal aspects of integrating the civil society into the United Nations system. With regard to the choice of projects, he said that 90 per cent of them were projects that already existed, such as risk management.

Action by the Board

36. The Board took note of the statement made by the Secretary-General of UNCTAD (annex II) and the comments made by delegations.

D. Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in the agreed conclusions 436 (XLIII): Development in Africa

37. Introducing the report of the Secretary-General of UNCTAD on this item (TD/B/EX(15)/2), the UNCTAD Coordinator for Africa recalled that the report had been prepared in response to paragraph 5 of the Board's agreed conclusions 436 (XLIII). The report aimed to present a comprehensive picture of UNCTAD's activities, in its areas of competence, in connection with the implementation of the United Nations New Agenda for the Development of Africa in the 1990s in the context of its analytical and policy development work, as well as in the area of technical cooperation and assistance to the African countries. A separate report would be submitted to the Board for its consideration of the item related

to Africa at its forty-fourth regular session; the report would analyse the adjustment programmes undertaken in the African countries, reflect on recent performances, and assess medium-term prospects for export-led growth, taking into account recent trends in savings and foreign direct investment, external debt burden and the possible impact of the heavily indebted poor countries debt initiative. As requested by the Board at its forty-third session, a panel of high-level experts would be invited for an informal exchange with delegations.

38. The spokesman for the African Group (Morocco) expressed appreciation to the Secretary-General of UNCTAD for the excellent manner in which he had followed up the agreed conclusions of the Board and welcomed the initiative of presenting a comprehensive report to the executive session. The African Group would like to see more detail provided in each area in order to better understand the full scope of UNCTAD's activities, and he suggested that the document might be more prospective than descriptive in future. Regarding the initiative of the Coordinated African Programme of Assistance on Services on trade in services, the African Group expressed its satisfaction and requested that similar initiatives be taken in the important area of investment. He called on donors to increase extrabudgetary resources to help UNCTAD carry out its assistance to African countries.

39. Responding to the spokesman for the African Group, the UNCTAD Coordinator for Africa welcomed the proposals for the improvement of the report. He confirmed that the UNCTAD initiative on trade was not limited to the new round of negotiations in services but that the Secretary-General of UNCTAD, in close cooperation with the Executive Secretary of the Economic Commission for Africa, had planned joint activities for the preparation of the second WTO Ministerial Conference, to be held in 1998, including on issues related to trade and investment policy, trade and competition policy, transparency in government procurement, and cooperation in organizing an Africa-wide conference preparatory to the Ministerial Conference.

Action by the Board

40. The Board took note of the report of the Secretary-General of UNCTAD and of the comments made by the spokesman for the African Group.

II. OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

A. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO

1. Introducing the report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session (ITC/AG(XXX)/164), which was held from 21 to 24 April 1997, the Chairman of the Joint Advisory Group, Mr. N. Benjelloun-Touimi (Morocco), recalled that, at the opening session, the Secretary-General of UNCTAD and the representative of the Director-General of WTO had announced the extension of the term of the Executive Director of the International Trade Centre (ITC) for another three-year period, as confirmed by the Secretary-General of the United Nations.

2. In his statement to the Joint Advisory Group, ITC's Executive Director had reported that ITC's refocusing exercise had entered its final stages. The organization was more streamlined, had a clearer vision of its future orientation and was now more capable of meeting the needs of client countries and regions for better focused and more efficient technical assistance. ITC's Global Trust Fund and its Consultative Committee were highly efficient mechanisms for funding ITC's programme activities, and voluntary contributions had increased.

3. The Chairman reported that the Joint Advisory Group had expressed its appreciation to the Executive Director for ITC's current reform process and refocusing, reaffirmed the importance of ITC's mandate and expressed appreciation for its valuable, practical and highly operational work. The Group had examined a review of ITC's technical cooperation activities in 1996, based on its annual report, made recommendations on its future work programme and reviewed ITC's activities in human resource development following the independent evaluation of the subprogramme in 1996 and a technical meeting convened to consider the evaluation report in November 1996. The Group had also expressed its satisfaction with the effective functioning of the Consultative Committee of the ITC Global Trust Fund.

4. Some Joint Advisory Group representatives had suggested that steps be taken to set up a supervisory committee to oversee ITC's work programme and priorities, while others had considered that this was neither needed nor appropriate. Following a review of the situation with delegations, the Chairman had agreed to convene open-ended consultations as needed and appropriate before the next Group meeting in 1998.

5. Finally, the Chairman thanked the Governments of Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden and Switzerland for their announcements of confirmed or possible voluntary contributions to ITC during the Joint Advisory Group's session.

6. The spokesman for the Asian Group and China (Singapore) thanked the Chairman of the Joint Advisory Group for his presentation and said that members of the Asian Group and China had joined the consensus in adopting the report in a spirit of compromise. He drew attention to the observations made by the Asian Group and China in its statement to the Group on several issues of interest and concern, for which support had been expressed by many other developing countries. ITC had taken note of those issues and the Group had been assured of follow-up action. He looked forward to the informal consultations that would be conducted by the Chairman of the Group during the course of the year and that

would provide an occasion to obtain some of the information requested on the issues raised. He said that the concerns expressed in the statement by the Asian Group and China to the Joint Advisory Group were of vital interest to developing countries and the Group wished to reiterate the need for prompt action to address them.

7. Responding to the statement on behalf of the Asian Group and China, the Chairman of the Joint Advisory Group said that it had been agreed to organize the informal consultations as appropriate after the necessary preparation, and that it was his intention to do so as soon as possible.

Action by the Board

8. The Board took note of the report of the Joint Advisory Group on its thirtieth session (ITC/AG(XXX)/164) as circulated to the Board under cover of a note by the UNCTAD secretariat (TD/B/EX(15)/4).

B. Report of the Joint UNCTAD/International Maritime Organization Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects

Action by the Board

9. The Board took note of the report of the Joint UNCTAD/International Maritime Organization Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session (TD/B/44/3-TD/B/IGE.1/4), held at Geneva from 2 to 6 December 1996, and endorsed the recommendation contained therein to propose to the General Assembly the convening of a diplomatic conference to consider and adopt a convention on arrest of ships.

10. In an answer to a question from the representative of Japan as to the timing of the proposed diplomatic conference, the representative of the UNCTAD secretariat stated that the recommendation of the Joint Intergovernmental Group of Experts, together with the decisions of the Board and the IMO Council, would be first submitted to the General Assembly. Upon approval by the General Assembly, a diplomatic Conference could be held during 1998.

III. INSTITUTIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

1. The Board noted that there were no new applications from intergovernmental organizations.

B. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

2. The Board approved the applications of two non-governmental organizations and decided, in accordance with the recommendation of the Secretary-General of UNCTAD and of the Bureau, to designate and classify them for the purposes of rule 77 of the rules of procedure and in accordance with paragraph 12 (b) of Board decision 43 (VII) as follows:

Special category: International Group of Protection and Indemnity Associations, to participate in the work of the Commission on Enterprise, Business Facilitation and Development; and the International Chromium Development Association, to participate in the work of the Commission on Trade in Goods and Services, and Commodities (TD/B/EX(15)/R.1/Add.1 and 2).

3. The Board also agreed to the revised classification of in-status non-governmental organizations in the special category, as contained in annex II to document TD/B/EX(15)/3 and Corr.1, thus bringing them into line with the post-Midrand intergovernmental machinery of UNCTAD.

4. The Board took note that, in the light of the adoption of Economic and Social Council resolution 1996/31 of 25 July 1996, on relations between the United Nations and non-governmental organizations, the UNCTAD secretariat had prepared a revision of the arrangements for the participation of non-governmental organizations in the activities of UNCTAD, as contained in TD/B/EX(15)/3 and Corr.1. The Board decided to postpone its decision on this question until the nineteenth executive session of the Board.

5. Having heard the statement made by the UNCTAD Senior Legal Adviser in introducing the note by the secretariat (see annex IV), and in conformity with the recommendations made by the Board at its meeting on 27 June 1997, the Board took note of the secretariat note entitled "Non-governmental organizations participating in the activities of UNCTAD" (TD/B/EX(15)/3 and Corr.1) and requested the UNCTAD secretariat to report to the Board at its nineteenth executive session on the implementation of Economic and Social Council resolution 1996/31.

6. The Board also noted that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Governments concerned (South Africa, the United Kingdom and India), the Secretary-General had included in the Register of national non-governmental organizations the following three national non-governmental organizations: Land and Agriculture Policy Centre, the Foundation for International Environmental Law and Development, and Consumer Unity and Trust Society. Background information on those organizations was before the Board in documents TD/B/EX(15)/L.1, L.2 and L.3, respectively.

7. The Board also took note of the following changes in names of organizations in status with UNCTAD: the Federation of European Rope and Twine Industries, which had been granted status in the special category by the Board at the first part of its twenty-fourth session, was now the Federation of European Rope, Twine and Netting Industries; EDI World Institute, which had been granted status in the special category by the Board at the first part of its fortieth session, was now the Electronic Commerce World Institute.

IV. OTHER BUSINESS

A. Adoption of the technical cooperation strategy of UNCTAD

1. The President of the Board informed delegations that the consultations of the Secretary-General of UNCTAD had resulted in an agreement by member States to adopt the text of the technical cooperation strategy of UNCTAD as contained in part A of TD/B/EX(14)/3.*

2. The spokesman for the Latin American and Caribbean Group (Mexico) expressed great appreciation and support for UNCTAD's technical cooperation activities, which enhanced the capacity of developing countries to participate in the international trading system. He noted with satisfaction the 12 per cent increase in extrabudgetary resources, in line with the recommendations of the ninth session of the United Nations Conference on Trade and Development, and hoped that would reverse the unfavourable trend of recent years, in particular with respect to the Latin American and Caribbean area. He also requested that future reports provide more information on project activities, including joint technical cooperation with other organizations.

3. The representative of Switzerland expressed appreciation for the effort put into this work. He drew attention to paragraph 10 of the strategy (TD/B/EX(14)/3), on cooperation with other organizations, and requested that consideration be given to strengthening the role played by States members of UNCTAD in the conclusion of formal cooperation arrangements with other organizations. Any formal arrangements concerning the functioning of the integrated framework on trade-related technical cooperation should be discussed with and endorsed by member States. This was especially valid with regard to the high-level meeting on least developed countries to be held in October 1997.

4. The representative of the Netherlands, speaking on behalf of the European Union, underlined that the approval of the strategy did not mean that it could not be modified in the light of experience, for example with respect to the integrated assistance to be provided in the framework of the high-level meeting on least developed countries. On the three-year rolling plan, he also expressed the wish to be able to review, at the October session of the Working Party on the Medium-term Plan and the Programme Budget, experience to date as well as the preparation of the 1998-2000 plan.

5. The representative of Japan welcomed the strategy and requested clarification on evaluation procedures and on the intensification of coordination activities. He expected UNCTAD to contribute substantively to the high-level meeting on least developed countries.

6. The representative of Norway supported the statement made by Switzerland on the need to involve member States closely in the preparation of the integrated framework for least developed countries and requested more structured information with respect to the plan.

7. The Chief, Inter-organizational Affairs and Technical Cooperation, responding to points raised, confirmed that the main focus of UNCTAD's technical cooperation was to help developing countries integrate more effectively into the international economy. He suggested that the remarks regarding arrangements for

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* Text originally submitted to the Board at its fourteenth executive session, on 24 March 1997.

a coordinated approach to the integrated framework for least developed countries would need to be pursued in the appropriate context. The technical cooperation strategy would need to evolve in the light of experience. Members of the Working Party would have the opportunity to consider the preparation of the rolling plan for 1998-2000 at the October 1997 session. He also explained arrangements for the evaluation of programmes and projects.

Action by the Board

8. The Board, acting on the agreement reached by member States in informal consultations, decided to adopt the text of the technical cooperation strategy of UNCTAD contained in part A of TD/C/EX(14)/3.

B. UNCTAD's publications policy

9. In the light of the agreement reached in the informal consultations of the President, the Board decided, in accordance with paragraph 107 (a) of the Midrand final document,[1] that it would examine the UNCTAD publications policy at its sixteenth executive session, following consultations.

C. Designation of the President and Bureau of the forty-fourth session of the Trade and Development Board

10. In accordance with the nomination made by the coordinator for Group D, the Board designated Mr. Goce Petreski (The former Yugoslav Republic of Macedonia) for the post of President of the Board at its forty-fourth session.

11. The Board noted that the President had received the nominations of representatives of the following countries to membership of the Bureau:

Rapporteur: Thailand

Vice-President:* Brazil
Ireland
Iran (Islamic Republic of)
Jamaica
Netherlands
Norway
Russian Federation
United States of America

12. The President announced that he had been informed of the nomination of France for the post of Chairman of Sessional Committee I.

D. Communication from the United Kingdom

13. The President drew attention to the communication circulated at the request of the United Kingdom of Great Britain and Northern Ireland concerning the question of international responsibility for Hong Kong (TD/B/EX(15)/7).

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* Two posts remain to be filled.

E. Regional symposium for Africa: International investment arrangements: the development dimension

14. Reporting on the regional symposium, held at Fez, Morocco, from 19 to 20 June 1997, the representative of Morocco read out the message adopted by the participants in the symposium and requested that it be included *in extenso* in the report of the Board on its fifteenth executive session (see annex III).

V. ORGANIZATIONAL MATTERS

A. Opening of the session

1. The fifteenth executive session of the Trade and Development Board was opened on 27 June 1997 by Mr. Patrick Sinyinza (Zambia), President of the Board.

B. Bureau of the fifteenth executive session of the Board

2. There being no change in the elected officers of the Bureau since the forty-third session, the Bureau of the Board at its fifteenth executive session was as follows:

President: Mr. Patrick Sinyinza (Zambia)

Vice-Presidents: Mr. Anton Bebler (Slovenia)
Mr. Krit Garnjana-Goonchorn (Thailand)
Mrs. Arundhati Ghose (India)
Mr. Peter R. Jenkins (United Kingdom)
Mr. Andrei Kolossovsky (Russian Federation)
Mr. Alexander A. Kravetz (El Salvador)
Mr. Björn Skogmo (Norway)
Mr. Daniel L. Spiegel (United States of America)
Mr. Fisseha Yimer Aboye (Ethiopia)
Mr. Jun Yokota (Japan)

Rapporteur: Mrs. Violeta Fonseca de Sanabria (Venezuela)

C. Adoption of the agenda

3. At its 884th meeting, on 27 June 1997, the Board adopted the provisional agenda for its fifteenth executive session, as circulated in TD/B/EX(15)/1 (see annex I).

D. Report of the Board on its fifteenth executive session

4. In accordance with past practice, the Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its fifteenth executive session.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April-11 May 1996. Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

ANNEX I

Agenda of the fifteenth executive session of the Board

1. Adoption of the agenda

2. Matters requiring action by the Board in follow-up to the ninth session of the United Nations Conference on Trade and Development and arising from or related to reports and activities of its subsidiary and other bodies:

    (a) Reports of the Commissions on their first sessions;

    (b) Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-ninth session;

    (c) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development;

    (d) Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in the agreed conclusions 436 (XLIII): Development in Africa

3. Other matters in the field of trade and development:

    (a) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session;

    (b) Report of the Joint UNCTAD/International Maritime Organization Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session

4. Institutional, organizational, administrative and related matters:

    (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

    (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

5. Other business:

    (a) Adoption of the Technical Cooperation Strategy of UNCTAD;

    (b) UNCTAD publications policy;

    (c) Designation of the President of the Bureau of the forty-fourth session of the Trade and Development Board;

    (d) Communication from the United Kingdom;

    (e) Regional symposium for Africa. International investment arrangements: the development dimension

6. Report of the Board on its fifteenth executive session.

ANNEX II

Statement by the Secretary-General of UNCTAD on preparations for a meeting with actors in development

1. The meeting of all actors in development, on preparations for which I have the pleasure to report to you today, is an offspring of my proposal to the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, for the integration of the civil society into our work. As you will recall, the goal of my initiative was to provide a new institutional mechanism that would facilitate the engagement in UNCTAD's work of the more active elements of the emerging global civil society, especially the private sector, research centres, academia and non-governmental organizations. After intense discussions, the ninth session of the Conference agreed to test this idea by holding a first meeting with all actors in development. That meeting would be convened by me under my own responsibility.

2. Paragraph 119 of the final document of the Conference, entitled "A Partnership for Growth and Development", states that the "Conference notes with appreciation the Secretary-General's initiative to hold a meeting with actors in development to advise him. This meeting should be financed from extrabudgetary resources. The Secretary-General is invited to inform the next regular session of the Board of preparations for this meeting and to report subsequently on its outcome."

3. The item was placed on the agenda of the forty-third session of the Trade and Development Board under the title "Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development". At its 881st meeting, on 18 October 1996, the Trade and Development Board, in the light of the oral report by the Chairman of Sessional Committee II and following approval by the Bureau of the Board, decided to postpone consideration of the agenda item until the next regular session of the Board.

4. The fourteenth executive session of the Board, held on 24 March 1997, in approving the provisional agenda of the Board's fifteenth executive session, simultaneously with a provisional agenda for the forty-fourth session of the Board, decided to place my report on the preparations for a meeting with actors in development on the agenda of the present executive session.

5. About a year after Midrand, the view that the closer involvement of the civil society should be a distinctive feature of the United Nations in the twenty-first century is no longer as novel as it was when I first made my proposal. I am happy to see that nowadays there is practically no international organization, not only in the United Nations system but also outside it, that is not actively seeking ways of integrating the civil society. What was new in December 1995 is becoming a common concern of international organizations now. I hardly need to remind you that, independently of my proposal, Mr. Kofi Annan has stated the importance that he attaches to this question in the context of his plans for the reform and revitalization of the United Nations.

6. This is therefore a challenge for the United Nations as a whole. The question of how to open the Organization to new constituencies, particularly in the economic and social sectors, has been with us for a long time. The main lesson that we should draw from the limited success of past efforts in this regard is that the legal, political and practical complexity of the issues involved makes it impossible to apply ready-made, generalized solutions. This

must be a gradual, carefully thought-out process. It is against this background that my suggestions about mechanisms for the integration of the civil society in the work of UNCTAD should be seen as a modest but realistic contribution to a process of gradual reform that is only starting. As the Italian proverb says, "Chi va piano, va sano e va lontano" ("slow and steady wins the race").

7. The questions that arise here affect the very essence of the United Nations as an international organization. The answers to these questions still need to mature, probably in the forum of the General Assembly and with the close involvement of the Secretary-General himself. With these arguments for caution in mind, we have decided to adjust my initial proposal in order to take into account all the understandable concerns of member States about its institutional impact, and we have come to a conclusion that I hope you will all share with us.

8. Our partnerships with the civil society would be based on the practical experience that we have gained through concrete projects between UNCTAD, Governments, the private sector and non-governmental organizations and that have produced practical results for development. This has been the reason why we have decided to call our initiative "Partners for Development". We intend to prepare a meeting of "Partners for Development" next year, and I would like to share with you some ideas about how we intend to proceed.

9. The word "partnership" is now heard in many statements but, in general, the expression is still lacking in concrete content. We believe that we should give the expression "partners for development" a content of action. That is why our goal will be to make next year's meeting not a meeting about declarations or documents but about concrete approval of partnership projects. So we do not intend to devote a single minute of our future meeting to the painful negotiation of a final text.

10. Our intention would be to have the results of the "Partners for Development" meeting fed into the process of preparation for the tenth session of the United Nations Conference on Trade and Development. Thus, we will be able to present to you real examples of the partnerships that can be established between UNCTAD and the civil society, their practical modalities and their results. This, I think, will be a much sounder basis for any debate on the ways to make these partnerships a standard way of work in UNCTAD. They will also attest to the organization's capacity to focus on the demands of the people of developing countries and to mobilize minds, technology, political will and, why not, resources to meet them.

11. I expect two kinds of results from the meeting of "Partners for Development". First of all, they will be asked to think together about development. They should provide a framework in which the private sector, research centres, academia, non-governmental organizations and the public sector can contribute to a better understanding of some development issues linked to trade and investment and develop solutions that go beyond our traditional outputs.

12. The other component of the outcome that I expect from the "Partners for Development" meeting will be practical partnerships to act together for development. These partnerships will incorporate into UNCTAD's work the efficiency, the ideas and, hopefully, the resources (not only material, but also human resources) of some of the private actors whose trade, investment and technology decisions drive development today. These are resources that international institutions working for development have not tapped so far. While we will strive to reverse the current decreasing trend in traditional

resources for development, I believe that we cannot afford to continue to ignore the formidable potential for development of the private sector. Its resources, together with the creative potential of other actors of civil society, will help us to devise and put into practice new means to promote development.

13. The theme of the "Partners for Development" meeting will be "Markets and development". I have chosen this theme because it encompasses all the messages and the questions that are central to UNCTAD's new approach to the fight against poverty and inequality, and, of course, it stresses the fact that we are going beyond the contribution of Governments; we are looking for the contribution of the people who make up the markets. The market economy is the framework of development today, and I do not have to explain all the reasons why it has moved to the centre of the stage.

14. Under this overarching theme, I will propose to the "Partners for Development" meeting two broad sets of topics, which will be called "Thinking together for development", under which we will ask the participants to engage in a collective reflection on issues in which we feel that the future of development would benefit from their intellectual contribution, and "Acting together for development", which will comprise a limited number of practical, action-oriented partnership projects.

15. Some of the topics that we will propose under "Thinking together for development" will relate to understanding how market mechanisms can best be adjusted in development strategies. For instance, we would deal with:

(a) Globalization, inequality and poverty. Investment and technology choices made by companies are shaping the global economy. We should look at this phenomenon from the perspective of efficiency, but we should also think about the fears of people regarding the consequences of changes and about how we can develop together some answers to the ethical, ecological and social issues related to trade and investment. How can business, non-governmental organizations, Governments and UNCTAD work together to design market incentives that make social as well as business sense? We have several ideas in that direction that we would examine with our partners.

(b) A development-conscious society. Communication and development partners could examine the role of socially responsible media in economic development. How can the media, and even advertising, contribute to the creation of a global development-supportive environment. They could look at ways to enhance the access of developing countries to economic information as an input to truly global development and, in particular, make proposals for new avenues for cooperation among the global media, communication firms and UNCTAD.

16. Under "Acting together for development", our intention would be to present a limited number of practical partnership pilot projects involving private enterprises, academia, non-governmental organizations and the public sector. We are building here from what already exists - that is, we are starting from the concrete experience that has been accumulated in some specific areas. Through these partnership projects, we hope that new resources will become available for development. In selecting them, we have used three criteria: first, they should relate to programmes of work that enjoy the widest political support among member States; secondly, UNCTAD should have a comparative advantage in the analysis of the issues involved; and thirdly, we should have detected enough interest among external players to ensure that in their implementation we will be able to rely on a network of external expertise.

17. The partnership projects proposed under "Acting together for development" will be grouped under different "threads". The following are some examples, but I am still considering a few additions and modifications:

(a) Profit and development. This topic will comprise threads such as: "Trade, development and biodiversity", in which our goal will be to create partnerships between enterprises from developed and developing countries, Governments and non-governmental organizations to foster bio-business and to promote bio-resource industries, thus enhancing the capacity of developing countries to benefit from increased participation in the market for biologically based resources; and "Commodity finance and risk management", in which partnerships would be launched among producer associations, banks and other financial institutions and Governments in order to address this constraint faced by many developing countries by extending new financial engineering tools to commodities markets.

(b) Private capital for micro-banks. Under this item, the "Partners for Development" meeting will address a major obstacle to enterprise development in the informal and microenterprise sectors. Partnerships will replicate the model developed by UNCTAD with the cooperation of the Government of Luxembourg and the International Bank of Luxembourg. They will involve international banks and asset managers, microfinance institutions, and Governments in order to improve the conditions in which microfinance institutions obtain resources in international capital markets. This will be done by launching investment funds that channel private investors' resources (which earn market rates of return) to micro-banks and non-profit organizations that finance micro- and informal enterprises in developing countries. In this particular case, what is new in relation to the initiatives that have been launched by the World Bank and other institutions is that for the first time this initiative is being launched with a private bank and will lead to investment that does not come from public funds.

(c) Creation of a worldwide network of academic institutions for trade- and investment-related training. The partnership projects launched under this item will reinforce the effectiveness of national and international efforts in human capacity-building in the area of international trade and investment by establishing new associations between UNCTAD and some leading academic and research institutions worldwide. They will cover issues related to the preparation and delivery of training programmes and formal courses on specific subjects such as commercial diplomacy, investment negotiations, technology, and trade efficiency, and the use of distance learning for human resource development. Last week I had a very interesting personal experience in this regard when I participated in a video-conference organized by the Monterey Institute for commercial diplomacy in California, in collaboration with San Diego State University. This video-conference allowed the speakers to discuss issues of commercial diplomacy with an audience of 30,000 people in several developing countries. It is amazing how few resources are available for training in trade and investment negotiations, which is an extremely important issue for developing countries. I am convinced that the possibilities created by new technologies are almost boundless, and through these partnership projects we intend to exploit them to the fullest possible extent.

(d) Intelligent trade: partnerships for electronic commerce. This group of partnerships will build on the success of UNCTAD's Global Trade Point Network and will aim at reinforcing the capacity of enterprises of developing countries, and particularly least developed countries, to join the emerging global electronic marketplace, which will undoubtedly become the major source of value and wealth in the next century. This will include partnerships for the creation of "trust communities" to promote secure electronic trade, alliances to combine the interests of large information technology companies and small and medium-sized enterprises, and capacity-building for electronic trade.

(e) A follow-up to Africa Connect. As you will remember, Africa Connect was held in parallel with the ninth session of the United Nations Conference on Trade and Development to promote and facilitate new investment flows towards African countries. A follow-up on the outcome of that meeting is needed.

18. The particulars of the topics to be discussed at the "Partners for Development" meeting are open to some refinement, and one or two more may still be added, particularly in the field of enterprise development. I am, naturally, open to any comments or proposals that delegations may want to make to the secretariat through bilateral contacts. More details about the meeting, such as its day-to-day programme and a first indication of participants, will be made available to you at the next high-level segment of the Trade and Development Board.

19. The "Partners for Development" meeting is planned for November 1998. Its duration will be four working days.

20. The city of Lyon, France, has expressed its interest in hosting the meeting. Conversations between the secretariat and the local authorities are progressing in a very productive manner, and we expect that we will be able to reach a mutually satisfactory understanding soon. The city of Lyon is prepared to make available its excellent conference facilities (the ones used for the 1996 Group of Seven meeting) and its historical Mairie.

21. I would also like to thank publicly the Mayor of Lyon, Mr. Raymond Barre, former Prime Minister of France, for his support of this initiative. Mr. Barre, who among other achievements has greatly contributed to the international prominence of the Davos conferences, which pioneered efforts to bring together the private sector and Governments, has expressed his personal willingness to contribute to the preparations for the meeting.

ANNEX III

Regional symposium for Africa: international investment arrangements: the development dimension

Message from Fez

1. Participants thanked UNCTAD and the Government of Morocco for organizing and hosting the "Regional symposium for Africa. International investment arrangements: the development dimension" held at Fez, Morocco, on 19 and 20 June 1997. The Symposium was attended by 51 representatives from 21 African countries and 17 observers from regional organizations, such as the Economic Commission for Africa, the African-American Institute and the Union du Maghreb arabe, as well as the Government of Norway and the European Commission. The participants were grateful to the Government of Norway, the European Commission and the Government of Australia for their financial support of the event.

2. Participants noted that international discussions on investment are becoming more intense, as reflected in the deliberations of the Symposium, and concluded that countries need to be prepared to participate in them effectively in order to safeguard and advance their own interests. This includes a need that countries be aware of the whole range of issues involved, in order to be in the best possible position to define their own interest situations.

3. Participants also noted that, while there are several subregional investment arrangements in Africa, no continent-wide investment agreement exists, in the framework of which African countries deal with investment-agreements issues, analyse the issues involved in greater depth and identify their own interests. Compared to the countries of Asia, Latin America and the Caribbean, and the Organisation for Economic Cooperation and Development, Africa is at a disadvantage in this respect.

4. Participants noted, therefore, that events like the Symposium are of key importance for Africa, and they expressed the hope that another symposium of this kind could be organized for Africa, examining in depth key issues relevant to international arrangements, and especially their development dimension. Such a symposium would also profit greatly from the technical paper on key issues UNCTAD has begun to prepare.

5. In this context, it needs to be recognized that least developed countries need special attention and assistance in this area. Participants therefore encouraged UNCTAD to explore the possibility of holding a symposium on these matters specifically for least developed countries.

6. Participants emphasized that UNCTAD's work and support in this area of international investment arrangements is of key importance for developing countries in general, and African nations in particular. They also welcomed the efforts to strengthen the cooperation of UNCTAD with regional organizations concerned with this issue.

ANNEX IV

Statement by the UNCTAD Senior Legal Adviser on non-governmental organizations

1. My comments relate to the note by the UNCTAD secretariat (TD/B/EX(15)/3 and Corr.1) entitled "Non-governmental organizations participating in the work of UNCTAD". About 170 non-governmental organizations are entitled to participate in the activities of UNCTAD. The names of the organizations are given in annex II of the secretariat note.

2. The Trade and Development Board decides on applications for consultative status by non-governmental organizations in accordance with criteria set out in decision 43 (VII) adopted by the Board in 1968. The text of that decision is reprinted in annex I of the note by the secretariat. One of the criteria to be fulfilled is that an applicant non-governmental organization should be international in structure, which means that it should have members in more than one country.

3. For many years, the Economic and Social Council had the same rule. However, the Council decided in 1996 that in the future national non-governmental organizations should also be entitled to participate in the work of the Council and its subsidiary bodies.

4. The UNCTAD secretariat has proposed, in the note before you, that UNCTAD, following the lead of the Economic and Social Council, may wish to decide that national non-governmental organizations should also be entitled to participate in the work of all the bodies of UNCTAD. Such a decision will require an amendment of the rules, which are reprinted in annex I of the secretariat note and which show the two amendments to the rules that are being proposed for consideration by the Board.

5. I have a closing comment on the nature of the participation of non-governmental organizations in the work of UNCTAD. In accordance with the rules of procedure, the representatives of accepted organizations are entitled to participate as observers, without the right to vote, in the public meetings of the intergovernmental bodies. They may make oral or written statements on matters related to an item of the agenda on which they have a special competence or interest.

ANNEX V

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

- Afghanistan
- Algeria
- Australia
- Austria
- Bahrain
- Bangladesh
- Bolivia
- Brazil
- Bulgaria
- Chile
- China
- Colombia
- Costa Rica
- Côte d'Ivoire
- Czech Republic
- Democratic People's Republic of Korea
- Dominican Republic
- Ecuador
- Egypt
- Ethiopia
- Finland
- France
- Gabon
- Georgia
- Germany
- Greece
- Hungary
- India
- Indonesia
- Iran (Islamic Republic of)
- Ireland
- Italy
- Jamaica
- Japan
- Jordan
- Kenya
- Luxembourg
- Madagascar
- Malaysia
- Malta
- Mexico
- Morocco
- Myanmar
- Nepal
- Netherlands
- Norway
- Pakistan
- Panama
- Paraguay
- Peru
- Philippines
- Poland
- Portugal
- Qatar
- Russian Federation
- Singapore
- South Africa
- Spain
- Sri Lanka
- Sweden
- Switzerland
- Syrian Arab Republic
- The former Yugoslav Republic of Macedonia
- Trinidad and Tobago
- Tunisia
- Turkey
- Uganda
- Ukraine
- United Kingdom of Great Britain and Northern Ireland
- United Republic of Tanzania
- United States of America
- Zambia

2. The following States members of UNCTAD, not members of the Board, were represented as observers at the session:

- Brunei Darussalam
- Kazakhstan
- Holy See

3. The International Trade Centre UNCTAD/WTO was represented at the session.

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* For list of participants, see TD/B/15(EX)/INF.2.

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

5. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
Inter-American Development Bank
Organization of the Islamic Conference
Organization of African Unity

6. The following non-governmental organizations were represented at the session:

International Chamber of Commerce
International Confederation of Free Trade Union
World Federation of United Nations Associations
World Savings Bank Institute
World Vision International

Part Three

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS FORTY-FOURTH SESSION

Held at Geneva from 13 to 23 October 1997

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA

A. Segment for high-level participation: globalization, competition, competitiveness and development

1. The Trade and Development Board engaged in a high-level discussion on agenda item 2, entitled "Globalization, competition, competitiveness and development", under the chairmanship of Mr. Jan Pronk, Minister for Development Cooperation of the Netherlands.

2. The high-level segment comprised two panel discussions, the first on "The perspective" and the second on "The future of competition: a prospective look at electronic commerce". The latter discussion was conducted jointly with the Second Committee of the General Assembly by teleconference.

3. At the high-level segment, and further to the Midrand Declaration,[1] the "Partners for Development" initiative was launched. The Deputy Mayor of Lyon, France, acting on behalf of the Mayor of Lyon conveyed the offer of Lyon to host the first meeting of "Partners for Development", in November 1998. The Secretary-General of UNCTAD accepted the offer with thanks. A message was received from the Secretary-General of the United Nations (see annex II).

B. Interdependence and global economic issues from a trade and development perspective: income distribution and growth in a global context

Agreed conclusions 440 (XLIV): Income distribution and growth in a global context

1. Recognizing that countries enter the global system from very different starting points and that the impact of globalization and liberalization is uneven, the Midrand Declaration[1] stated that:

> "UNCTAD's policy research and analytical work must illuminate the changes in the global economy as they relate to trade, investment, technology, services and development. Such work must facilitate policy formulation within member States as they strive for development. It must lead to constructive policy dialogue among member States to enhance benefits of trade. It must respond to different and changing developmental needs in the ongoing process of integration in the global economy."

The Board expresses its appreciation for the research undertaken in the *Trade and Development Report, 1997*[2] on "Globalization, distribution and growth", and urges the secretariat to continue to study aspects of globalization as part of its future work on interdependence, including both opportunities and challenges.

2. Despite growing prosperity, in today's globalizing world income gaps across and within countries over the past two decades have generally widened. This is a challenge for policy makers everywhere.

3. Certain elements of globalization may have contributed to the tendency for income gaps to widen. Nevertheless, the forces behind widening income disparities are complex and their emergence in many cases may have preceded the recent acceleration of international economic integration.

4. There are social and political limits to growing inequality. If pushed too far, income disparities can provoke a backlash, generating instability and triggering populist policies and protectionist tendencies which nullify the economic gains of closer integration.

5. An effective response will have many dimensions. In the past, some countries severely restricted the role of markets and private property, with a consequent loss of dynamism resulting from this approach. A development strategy incorporating a faster pace of investment and growth holds the key to adequate job creation and rising living standards for all. Measures to achieve higher employment rates, fiscal stability and social objectives, including appropriate social safety nets, should complement policies that foster economic growth.

6. Markets by themselves do not create the full range of factors, inter alia, skills and institutional capacities, needed to accelerate growth and meet the challenges of competitiveness associated with globalization. Government policy has a crucial role to play in promoting economic growth and competitiveness and reconciling these with social objectives. This role is to complement and regulate rather than restrict market forces.

7. In an interdependent world, successful domestic policies require an enabling global environment. An increasing number of issues affecting growth and distribution are taken up in international negotiations. The regimes agreed in such negotiations need to reflect the different starting points and capacities of development partners and should take into account the areas of particular interest to developing countries.

8. The movement in the direction of greater openness for developing economies should be an orderly process backed by effective policies at the international as well as the national level. Those policies should entail a phased approach to integration tailored to the circumstances of individual countries.

9. Success in curbing inflation has helped to create conditions for sustainable growth. If this is to be achieved, policy needs to be oriented towards the avoidance of deflation as well as of a resurgence of inflation. Otherwise, the adjustments to the dynamic competitive forces associated with global integration and rapid technical change are much more difficult. Achieving higher and sustainable growth is a necessary condition for dealing with poverty in developing countries and labour market problems in industrial countries, and is also essential to the avoidance of threats to international trade and payments.

890th plenary meeting
22 October 1997

C. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s

Agreed conclusions 441 (XLIV): Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s: policy reforms in agriculture and their implications for development

1. The Board commended the UNCTAD secretariat for the high quality of The Least Developed Countries, 1997 Report[3] and its analysis of issues affecting least developed countries. It welcomed the improvements in economic performance in many of the least developed countries, particularly in Africa, which the Report attributed to the implementation of economic policy reforms; the sustainability of those reforms will benefit from increased technical and financial support, as well as a conducive international environment.

2. The Board expressed concern at the continued decline in the overall share of official development assistance to least developed countries and called for further efforts to reverse this trend with a view to fulfilling the official development assistance targets and commitments undertaken in the Programme of Action for the Least Developed Countries.

3. The Board also emphasized that the debt burden of least developed countries, particularly those in Africa, remains exceptionally high and is a serious constraint on their development. Declining official development assistance and a heavy debt burden have had an adverse impact on the agricultural development of least developed countries. In this regard, the Board welcomed the various debt relief initiatives, in particular the recent heavily indebted poor countries' initiative, and expressed the wish that, in the longer term, agreement would be reached to allow the greatest number of least developed countries to benefit from that initiative.

4. The Board commended those least developed countries that have undertaken policy reforms in their agricultural sector and encouraged them to accelerate such efforts. It observed that, in the short to medium term, improved agricultural performance offers many least developed countries the most effective path to raise economic growth rates, expand and diversify exports, ensure food security and reduce poverty. The macroeconomic reforms already implemented in many least developed countries have improved the environment for agriculture but the small-scale farmers who dominate the sector in most countries still face serious constraints with respect to raising productivity and output. The Board stressed that problems facing those producers and alleviating attendant supply-side constraints require sectoral and institutional policy reforms, such as building effective research and development institutions and agricultural extension services, improving rural infrastructure and credit, and developing more efficient markets in rural areas. Those efforts will continue to be supplemented by international support measures. It noted that, if least developed countries are to develop competitive agricultural sectors, policy design must take account of the need to promote investment and upgrade farm technology.

5. The Board highlighted the importance of human resource development and of developing the role of the private sector in improving the agricultural performance in least developed countries.

6. In pursuance of what has been achieved under the Programme of Action, the Board stressed that improved market access is one of the key elements to improve the performance of the agricultural sector in least developed countries, although it was noted that some existing market opportunities are not fully utilized by the least developed countries. The Board emphasized the importance of strengthening the capacity of least developed countries to export, including through vertical and horizontal diversification, in order to reap the potential benefit from the global market, particularly in the area of non-traditional exports. In line with the outcome of the Mid-term Global Review of the Programme of Action, South-South cooperation should be promoted to enhance regional and subregional trade by providing market access for least developed countries in neighbouring countries. Developing countries should, *inter alia*, introduce preferential schemes for least developed countries under the Global System of Trade Preferences among Developing Countries.

7. The Board emphasized the importance of appropriate sequencing of agricultural liberalization measures. Exports by least developed countries could be further enhanced through the implementation of the Marrakesh ministerial decision on measures in favour of the least developed countries.[4] It noted that the Uruguay Round agreement has opened up significant opportunities for an expansion of agricultural exports by least developed countries through exemptions applicable to those countries reinforced by the special and differential treatment measures which give considerable leeway to Governments of least developed countries to support their agricultural producers. The Board took note of the strategy for agricultural development as it relates to trade outlined in *The Least Developed Countries, 1997 Report*, and recommended that this issue be the subject of further consideration by UNCTAD. In particular, it recommended that the lessons deriving from the experiences of successful agricultural development, policies including those of least developed countries, be widely shared by promoting, *inter alia*, South-South cooperation and the use of triangular arrangements. In this respect, the UNCTAD secretariat is invited to cooperate with other competent organizations active in the field of agricultural development.

8. The Board expressed its concern at the severe problems of regress afflicting a significant minority of least developed countries. It noted the enormous costs of those problems, not just to the least developed countries directly affected, but also to the economies of neighbouring countries. The Board urged the UNCTAD secretariat to continue its analysis of economic reconstruction of countries in regress.

9. The Board welcomed the convening of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development at Geneva on 27 October 1997. It appreciated the active commitment of the UNCTAD secretariat in the preparatory process, and it requested it to continue its contribution at the High-level Meeting itself and in connection with the outcome and follow-up of the Meeting. In this connection, the Board welcomed the proposed establishment of an integrated framework for trade-related technical assistance and hoped that measures in the area of market access for least developed countries would be announced by a number of countries. Consistent with the universality of UNCTAD's membership, the Board requested the Secretary-General of UNCTAD to report to the next meeting of the Board on the High-level Meeting and to seek approval of the Board on the role of UNCTAD and all its members in the implementation of measures to be adopted at the High-level Meeting.

10. The Board noted with appreciation progress made in the formulation of integrated country programmes for strengthening supply capacity of exportable

goods and services in a number of least developed countries. It welcomed the generous contributions made to the Trust Fund for least developed countries and urged member States to make further contributions to the Fund with a view to enabling the UNCTAD secretariat to implement integrated country programmes in more least developed countries.

890th plenary meeting
22 October 1997

Recommendation 442 (XLIV): Third United Nations Conference on the Least Developed Countries: recommendation by the Trade and Development Board to the General Assembly

1. Without prejudice to any decision to be taken by the General Assembly, and pursuant to General Assembly resolutions 45/206, of 21 December 1990, and 50/103, of 20 December 1995, and to paragraph 140 of the Programme of Action for the Least Developed Countries for the 1990s,[5] the Trade and Development Board recommends for consideration by the fifty-second session of the General assembly the convening of a third United Nations Conference on the Least Developed Countries, which would:

(a) Assess the results of the Programme of Action during the 1990s at the country level;

(b) Review implementation of international support measures, particularly in the areas of official development assistance, debt, investment and trade;

(c) Consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of least developed countries and their progressive integration into the world economy.

2. The Conference should take place at the end of the decade.

3. An intergovernmental preparatory committee would be convened in due time to prepare for the Conference; it would be preceded by three expert-level preparatory meetings, two in Africa, one of which would include the Americas, and one in Asia and the Pacific.

4. UNCTAD would be designated as the focal point for the preparation of the Conference.

890th plenary meeting
22 October 1997

Summary by the Chairman of Sessional Committee I*

1. Sessional Committee I of the forty-fourth session of the Trade and Development Board was established to discuss agenda item 4, entitled "Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s".

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* The Board took note of the summary by the Chairman of Session Committee I at its 890th (closing) plenary meeting.

2. The debates, in which many delegations took part, drew upon The Least Developed Countries, 1997 Report,[3] which was introduced by the Secretary-General of UNCTAD and unanimously praised for its quality and relevance.

3. The discussions revealed a relative improvement in the situation of a great many least developed countries in 1996. Growth had increased per capita income, notably in certain African least developed countries, reversing a trend dating back to the beginning of the previous decade. That situation was attributed both to exogenous factors, such as the sustained prices commanded by some of the commodities which were still the principal export earners of the least developed countries, and to endogenous factors stemming from the reform policies being pursued by those countries in matters such as inflation, exchange rates and public finances. The regional environment had also continued to play an important role: Asian least developed countries had benefited from the knock-on effects of the region's economic dynamism.

4. Encouraging though the situation appeared, all delegations believed there had been too little progress. The delegations representing least developed countries emphasized how vulnerable many of their countries remained to marginalization in the general economic move towards globalization. The economic situation of the least developed countries must continue to improve - and they should benefit from the probable persistence of the factors mentioned above - but this only highlighted the need for a favourable domestic and external environment. Among the topics raised in this connection were:

(a) The debt question. Many delegations noted with concern that the debt situation of the least developed countries had continued to worsen and that debt-servicing alone absorbed an excessive proportion of their still limited foreign-currency resources. Excessive indebtedness was described by the delegations representing least developed countries as a major handicap to their countries' development and efforts to reduce poverty. All delegations hailed the heavily indebted poor countries' initiative by the International Monetary Fund and the World Bank. Many delegations of least developed and developing countries stressed that the eligibility criteria, conditionalities and timetable attached to that initiative must be flexibly, not rigidly, applied, so that a maximum number of least developed countries could take advantage of it quickly. Developed country delegations pointed out that putting the initiative into effect would require a boost in the resources of the international financial institutions, which, it was emphasized, bore sole responsibility for the programme; one developed country delegation said it was ready to contribute;

(b) The decline in official development assistance going to least developed countries. Delegations representing least developed countries stressed that the objective of the Programme of Action for the 1990s, namely 0.15 per cent of gross national product (GNP) devoted to official development assistance for least developed countries, had not, bar a few exceptions, been attained by the official development assistance donor countries and that official development assistance had declined in real terms over the course of the year to 0.06 per cent of the donor countries' GNP. The delegations representing least developed countries felt that the decline was indicative of a lack of support within the international community for the economic development and reform policies of the least developed countries, especially as official development assistance had tended to be directed towards emergency humanitarian aid in preference to long-term development. One official development assistance donor country delegation reminded the meeting of the budgetary circumstances that made the target unattainable for the moment. Another developed donor country delegation announced its Government's willingness to give priority to least developed countries in its development assistance policy.

5. Generally speaking, the difficulty of securing concessionary financing was seen as a significant obstacle to improvements in export capacity and the pursuit of structural reform. With regard to market access, the delegations representing least developed countries felt that their countries still had too little access to world markets despite improvements in one area. They decried the maintenance of tariff barriers and the continuing threat of tariff increases, the erosion of preferential regimes, and the use made of anti-dumping measures and norms and voiced the hope that the least developed countries might, within the generalized system of preferences, enjoy asymmetric, preferential treatment in areas such as food and farm produce, textiles, clothing and hides, and tropical industrial products. But it was also pointed out that the Uruguay Round agreements included a number of exemptions and instances of preferential treatment for least developed countries which might enable them both to supply more to "niche" markets and to maintain their comparative advantage in traditional ones. The least developed countries should actively seek to derive more advantage from the preferential arrangements adopted for their benefit. The delegation of one major importing country spoke of the lack of interest shown by least developed countries in market-access arrangements that had recently been made available to them. A developed country delegation also commented that the least developed countries had not always derived as much benefit as originally hoped from preferential market-access arrangements, while at the same time the erosion of such arrangements did not imply the immediate and total eviction of the least developed countries from the markets concerned. Over the long term, the better solution would seem to be for the least developed countries to become more competitive on world markets. Greater supply capacity was, in several delegations' judgement, essential for least developed countries, and UNCTAD was asked to provide technical assistance for that purpose.

6. Several developed and developing country delegations announced their intention of making independent offers of market access to least developed countries at the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held under WTO auspices. One delegation pointed out, however, that market access was one of the two facets of the agenda for the meeting, the other being technical cooperation. Delegations unanimously congratulated the secretariat on its active involvement in preparations for the meeting concerned and hoped it would play an important part in the meeting itself and in the execution of the recommendations expected to result. Several delegations called for maximum consistency among the various international organizations with responsibilities in that area. One delegation voiced regret that UNCTAD member States had not been involved in the meeting and said that proper discussion of questions relating to least developed countries required all parties concerned to take part.

(a) Attracting foreign direct investment and gaining access to technology. Several delegations emphasized that the most recent World Investment Report showed a notable increase in foreign direct investment flows to least developed countries. Still, least developed countries accounted for only a tiny minority of foreign direct investment flows to developing countries, and did not generally benefit from the virtuous circle linking export growth to greater foreign direct investment.

(b) The need was stressed for least developed countries themselves - including those that had recently been experiencing serious political difficulties - to pursue reform and seek to derive maximum benefit from the facilities made available to them.

(c) The major role of institutional and economic stability. Many delegations, from least developed countries and other countries, welcomed the emphasis placed in the 1997 Report on least developed countries on institutional, political and social regress. In many cases, internal and external conflict and population movements might have contributed to institutional and economic regress, resulting in a farming crisis, destruction of infrastructure, and interruptions in educational, health and social services, aggravated by land mines. It was pointed out that conflicts in one country often had deleterious effects on neighbouring countries and their economies. One delegation representing a least developed country stressed that the emergency food aid that the international community was induced to supply in order to alleviate the immediate effects of such crises could, over the longer term, adversely affect the agricultural development of the countries concerned. Delegations from least developed countries that had recently suffered such regress said that it was not irreversible but that domestic and foreign peace did have to be restored, democratic institutions and the rule of law had to be put in place, and the international community had to lend its support. One developed country delegation felt that trimming military spending and preventing conflicts could help to roll back the danger of regress.

7. The statements and exchanges on agenda item 4 (a) revealed a consensus on the importance to all least developed countries of the farming sector, which was their principal source of jobs, exports and income, and, by extension, on the cardinal importance of reforms in that area. The sector's obvious contribution to food security in least developed countries was also emphasized, along with its interrelationship with social development, notably education and health.

8. Some delegations representing least developed countries described the difficulties their farming sectors were experiencing: rising domestic prices following the liberalization of the sector while international prices remained stable; outdated systems of land ownership; an inability to gain access to modern technologies and inputs; the paucity of funds made available to agriculture; and difficulties in gaining access to external markets, which they attributed to the erosion of preferential regimes granted by importing countries and economic and customs unions, the persistence of tariff barriers, subsidies in developed countries (the least developed countries having abandoned theirs), and health and quarantine standards. One developed country delegation was at pains to point out that such standards, which were not hidden barriers, were legitimate, and said that its Government helped least developed countries to bring their farm produce into line with them. Developing country delegations pointed out that an export-oriented farm sector could lead to difficulties with domestic supplies. They also stressed the need for suitable infrastructure: the lack of, or serious deficiencies in, energy supplies, rail, road and telecommunications facilities gravely handicapped farm and other kinds of development in least developed countries. Thus it was necessary to increase official development assistance to least developed countries. Least developed countries should also work to reduce the tax burden on farmers, modernize farm structures, liberalize marketing networks and strengthen agricultural support services, among them research and human resources training. One developed country delegation said that the four main thrusts of farm development in least developed countries should be diversification, improved financing, technology acquisition and intensified research.

9. Several delegations from least developed countries and elsewhere wished to see UNCTAD, which is responsible for monitoring the implementation of the Programme of Action for the Least Developed Countries for the 1990s, continue to play a major role in the international community's consideration of questions relating to least developed countries by, among other things, forging a link between participation in international trade and development and providing least developed countries with assistance in establishing themselves in the world economy. Delegations from both least developed and developed countries hailed the secretariat's implementation of the first integrated country programmes and voiced the hope that the benefits of such programmes would soon extend to other least developed countries. The delegations representing least developed countries expressed satisfaction at the increase in contributions - now amounting to more than half the initial target set - to the trust fund for least developed countries set up by UNCTAD in response to the conclusions of the ninth session of the United Nations Conference on Trade and Development. Delegations from developed and developing countries announced pledges by their Governments to the fund. Several pointed out that, while least developed countries had accounted for an increased proportion of UNCTAD technical cooperation in 1996, that proportion was nonetheless inadequate and UNCTAD still needed to tailor the technical assistance it offered to the specific needs of the least developed countries. The delegation of one of the most advanced developing countries explained that its Government had set up a programme of bilateral cooperation for Portuguese-speaking least developed countries.

D. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues

Agreed conclusions 443 (XLIV): UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues

1. The Board noted that, after over a decade of economic stagnation and regression, the recent performance in African economies gives rise to optimism. For the first time since the beginning of the 1980s, GDP growth rates have exceeded population growth, albeit by a small margin. This is due, inter alia, to higher commodity prices and better weather conditions. The recent upturn in some African countries is underpinned by the continued and deepened implementation of economic reform programmes, as well as by reductions in political instability and civil unrest. However, most African countries remain fragile and subject to exogenous forces, including the fluctuation of prices for export commodities and weather conditions.

2. The specificity of African economies is that the continent suffers from acute problems related to infrastructure and has supply-side constraints which inhibit the capacity for growth and exports. This is true of the mainland as well as of island economies, especially the small and remote islands. African economies rely heavily on the export of commodities for their development, and vertical and horizontal diversification into non-traditional export sectors remains a major challenge. Factors impeding the expansion of trade for most African countries are, among others, small markets, the high costs of transactions and of transportation, and lack of sufficient communication links.

3. The integration of African economies into the world economy depends, inter alia, on how successfully gains from increased export revenues are

utilized to strengthen potential growth. The Board emphasized the need for major investment in human and physical infrastructure and for African countries to mobilize sufficient savings and funding in order to invest. The resource requirements of Africa, including debt relief, official development assistance, investment and trade flows, should also be addressed.

4. A speedy and substantial reduction of the debt overhang problem is critical if the present upturn is to be followed by sustained economic growth and if Africa is to be successfully integrated into the world economy. Africa has the highest debt-to-exports ratio of any continent. This debt burden is unsustainable for most of the African countries concerned. In this regard, the Board welcomed the various debt relief initiatives, in particular the recent heavily indebted poor countries' initiative, and expressed the wish that agreement be reached to allow the greatest number of African countries to benefit from that initiative. UNCTAD should closely monitor the relationship between debt and the capacity of African countries to generate savings to support investment. UNCTAD's technical support and advisory services for capacity-building in debt management for African countries should continue. UNCTAD should also continue to provide assistance to African countries in their preparations for negotiations in the context of the Paris Club.

5. Since many African countries' reliance on official development assistance is crucial, the Board noted with concern that official development assistance levels had fallen in real terms to their lowest level. This trend needs to be reversed. All donors are therefore invited to increase the level of official development assistance in accordance with internationally agreed targets. UNCTAD should continue to explore ways and means of increasing resources for development for Africa, in particular analysing how official development assistance could be used as a catalyst to attract other types of flows.

6. While Africa needs to attract foreign direct investment and many of the African countries have undertaken measures to improve laws and regulations governing foreign direct investment, a very small percentage of the total flow of foreign direct investment goes to Africa, mainly concentrating in the minerals and energy sector. It was recognized that macroeconomic stability is one of the prerequisites for building investor confidence and attracting foreign direct investment. Ways and means should be considered on how investment can be encouraged in Africa. UNCTAD should continue to explore such ways and means, including issues related to intra- and interregional investment cooperation and exchange of investment experiences.

7. Incentives and investment are important to agricultural and industrial development. Agricultural development requires substantial investment for, *inter alia*, diversification, vertical integration and maintenance of infrastructure. This cannot be undertaken only by the private sector. A balance needs to be struck between food self-sufficiency, surplus extraction and income security for farmers if liberalization of the agricultural sector is to yield positive results. The bias against food crops needs to be avoided. UNCTAD should analyse further development and trade-related questions of investment and incentives in the agricultural sector.

8. The international community should continue to implement and make operational the Marrakesh Ministerial decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries. The Board recognized that many African countries had taken unilateral measures towards trade liberalization. The degree, pace and sequencing of trade liberalization would need to be adapted to

the development conditions of each country, bearing in mind its impact on national capacity-building. The value of trade preferences will inevitably decline as trade liberalization continues, and it will be necessary to develop policies to address the actual and potential losses that will be incurred.

9. Structural adjustment programmes require predictability and need to be tailored to the individual needs and the level of development of countries. Frequent interruptions of programmes can erode investor confidence. UNCTAD commends efforts to make structural adjustment programmes more sensitive to those concerns.

10. The Board recognized the importance of an enabling environment and appropriate policies to encourage the creation of a dynamic entrepreneurial sector, which needs to be complemented by the strengthening of the capacities of public institutions.

11. Regional and subregional integration could create larger and more competitive economic spaces, which would help achieve economies of scale, increase trade and economic cooperation among African countries and between African countries and others, and attract foreign investment. In this context, UNCTAD should continue to support economic integration in Africa.

12. The Board welcomed the various initiatives taken by the international community in connection with Africa, including the United Nations System-wide Special Initiative on Africa, the Global Coalition for Africa, the declaration on Africa ("Partnership for Development") of the Group of Eight at the Denver Summit in 1997 - the United States initiative - and the Second Tokyo International Conference on African Development, to be hosted by the Government of Japan in 1998. The Board noted the intention of the member States of the Lomé Convention to negotiate, as of September 1998, a new European Union/African, Caribbean and Pacific Group of States framework agreement. It looked forward to the successful implementation of those initiatives in cooperation with the beneficiary countries.

13. UNCTAD is requested to integrate into its analysis in the context of the work programme of its Commissions and expert meetings the specificities of the African dimension. In addition, the secretariat is requested to analyse further the opportunities and impediments for growth and development in Africa, the means to ensure the sustainability of growth, and the requirements for the emergence of a dynamic business sector.

14. UNCTAD is invited to cooperate closely with other relevant international organizations in the implementation of the above conclusions.

15. The Secretary-General of UNCTAD is invited to report to an executive session of the Board on activities undertaken by UNCTAD in favour of Africa.

890th plenary meeting
22 October 1997

E. Technical cooperation activities

1. Review of technical cooperation activities of UNCTAD

At its 888th plenary meeting, on 17 October 1997, the Trade and Development

Plan and the Programme Budget (TD/B/WP/L.79) and adopted the draft decision recommended by the Working Party therein, as follows:

Decision 444 (XLIV): Review of technical cooperation activities of UNCTAD

The Trade and Development Board

1. Takes note of the report on technical cooperation activities of UNCTAD and their financing and the complementary statistical information submitted by the secretariat (TD/B/44/11 and Corr.1 and Add.1 and Corr.1 and Add.2);

2. Notes with encouragement the increase in the level of UNCTAD's technical cooperation expenditure in 1996 and that projected for 1997;

3. Reaffirms the principle that technical cooperation should be non-conditional and that it should be demand-driven;

4. Expresses its appreciation to bilateral and multilateral donors for their contributions to UNCTAD's technical cooperation programmes, and appeals to them to extend their contributions in line with UNCTAD's technical cooperation strategy and plan;

5. Requests the secretariat to explore ways and means of increasing the predictability of funding for the technical cooperation programme of UNCTAD;

6. Encourages the secretariat to continue its efforts to deepen its cooperation with the United Nations Development Programme (UNDP) with a view, inter alia, to increasing the level of funding and other support from UNDP for UNCTAD programmes;

7. Takes note of the proposals of the secretariat on the question of partial cost recovery with a view to contributing to the financial self-sustainability of selected programmes, and requests the secretariat to report on the legal implications of those proposals and to provide the thirty-second session of the Working Party on technical cooperation with details of alternative cost-recovery options which might be applied, as well as the possibility of special arrangements for least developed countries;

8. Notes that the Working Party agreed on the need for greater transparency in respect of activities funded from the regular budget and those funded from extrabudgetary resources;

9. Also notes the progress made by UNCTAD in its cooperation with other organizations, and requests the secretariat to pursue its efforts to intensify such cooperation, including with the World Intellectual Property Organization;

10. Encourages the secretariat to continue to deepen its cooperation with the International Trade Centre with a view, inter alia, to better coordinating technical cooperation in several areas, including support for small and medium-sized enterprises;

11. Requests the secretariat to prepare, in consultation with member States, a handbook whose objective would be to assist possible beneficiaries of UNCTAD's technical cooperation;

12. Also requests the secretariat, in consultation with member States, to explore new modalities that would ensure a better relative balance in the share of technical cooperation expenditure of the various regions, taking into account their respective needs;

13. Decides that there should be an in-depth evaluation of the Global Trade Point Network at the thirty-second session of the Working Party in 1998 dealing with technical cooperation;

14. Requests the secretariat to prepare the rolling three-year technical cooperation plan for 1998-2000 for consideration by the Working Party at the second part of its thirtieth session in December 1997 and thereafter by the Trade and Development Board at its first executive session in 1998, with a view to rationalizing the technical cooperation plan;

15. Requests the Secretary-General of UNCTAD to include, in his next report on technical cooperation through the Working Party on the Medium-Term Plan and the Programme Budget to the Trade and Development Board, information on:

The implementation of UNCTAD technical cooperation strategy;

The implementation of technical cooperation programmes in line with the areas of activity established in paragraph 97 of "A Partnership for Growth and Development"[1] to enable the Working Party to contribute to the mid-term review by the Trade and Development Board of the outcome of the ninth session of the United Nations Conference on Trade and Development;

The cost-effectiveness of the technical cooperation activities of UNCTAD; and

The establishment of quality control and standards at the project design, implementation, monitoring and evaluation stages.

888th plenary meeting
17 October 1997

2. Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people

At its 888th plenary meeting, on 17 October 1997, the Trade and Development Board took note of the secretariat's report on UNCTAD's assistance to the Palestinian people (TD/B/44/10). (Further to the provisions of General Assembly decision 47/445 of 22 December 1992, an account of the discussion in the Trade and Development Board under agenda item 6 (b) is annexed to the present report (see annex III).)

F. Other matters in the field of trade and development

1. Specific actions related to the particular needs and problems of landlocked developing countries

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board took note of report of the Meeting of Governmental Experts from Landlocked Transit Developing Countries and Representatives of Donor Countries and

Financial and Development Institutions (TD/B/44/7-TD/B/LDC/AC.1/11), endorsed the conclusions and recommendations contained in annex I of the report, and decided to submit the conclusions and recommendations, together with the progress report by the UNCTAD secretariat (TD/B/44/9), to the General Assembly at its current session (see A/52/329, annex).

2. Progressive development of the law of international trade: report of the United Nations Commission on International Trade Law

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board took note of the report of United Nations Commission on International Trade Law on the work of its thirtieth session[f] and agreed to the proposals made by the Senior Legal Adviser, according to which:

(a) The head of the United Nations Commission on International Trade Law secretariat would be invited to present the annual report of the Commission to the Board in 1998 and to provide delegations with any information they might require on the work of the Commission;

(b) The United Nations Commission on International Trade Law would be invited to participate in the second session of the Commission on Enterprise, Business Facilitation and Development, scheduled to be held in Geneva from 1 to 5 December 1997;

(c) The UNCTAD secretariat would invite the United Nations Commission on International Trade Law to participate in the symposium on "Partners for Development", which the Secretary-General of UNCTAD would convene at Lyon, France, from 9 to 12 November 1998;

(d) The UNCTAD secretariat should monitor those projects of the United Nations Commission on International Trade Law that were relevant to the ongoing work of UNCTAD and inform the Board and its subsidiary bodies in that respect.

G. Other business

1. Report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board endorsed the recommendations contained in annex I of the report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries, held at Geneva from 23 to 25 June 1997 (TD/B/SEM.2/3).

2. Commission on Investment, Technology and Related Financial Issues, second session: recommendations of the Commission regarding the convening of expert meetings

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board decided to approve the convening of the four meetings stipulated in document TD/B/44/L.2/Rev.1, as follows:

(i) Examination and review of existing regional and multilateral investment agreements and their development dimensions in pursuance of the mandate of paragraph 89 (b) of "A Partnership for Growth and Development";[1]

(ii) Environmental accounting: examination of national standards and regulations for environmental financial accounting, and identification of key environmental performance indicators and their relation to financial performance (Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting);

(iii) Competition law and policy (Intergovernmental Group of Experts on Restrictive Business Practices);

(iv) The growth of domestic capital markets, particularly in developing countries, and its relationship with foreign portfolio investment.

The President drew the attention of the Board to the fact that, for 1998, the Commission on Investment, Technology and Related Financial Issues would have four meetings at the expert level out of the annual total of 10 expert meetings approved by the United Nations Conference on Trade and Development at its ninth session. This meant that the other two Commissions could convene up to three expert meetings each in 1998.

3. Resolution adopted by the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices

With reference to paragraphs 14 and 15 of the resolution adopted by the Third United Nations Conference to review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, held at Geneva from 13 to 21 November 1995 (see TD/RBP/CONF.4/15), the Board, at its 890th meeting, on 22 October 1997, reached consensus that the name of the Intergovernmental Group of Experts on Restrictive Business Practices should be changed to Intergovernmental Group of Experts on Competition Law and Policy. With regard to the question of a fourth Conference, agreement was reached, with the exception of one delegation which reserved its position, that a fourth Conference should be convened in the year 2000.

On that basis, the Trade and Development Board requested the General Assembly to take note of the resolution adopted by the Third Conference and to endorse its recommendations. In this connection, the Board requested the General Assembly to take action on paragraph 15 of the resolution as it deems appropriate.

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the Session

1. The forty-fourth session of the Trade and Development Board was opened on 13 October 1997 by Mr. Patrick Sinyinza (Zambia), the outgoing President of the Board.

B. Election of officers*

2. At its 886th (opening) meeting, on 13 October 1997, the Board elected by acclamation Mr. Goce Petreski (the former Yugoslav Republic of Macedonia) as President of the Board for the duration of its forty-fourth session.

3. Also at its opening meeting, the Board completed the election of officers to serve on the Bureau of the Board throughout its forty-fourth session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President: Mr. Goce Petreski (the former Yugoslav Republic of Macedonia)

Vice-Presidents: Mrs. Anne Anderson (Ireland)
Mr. Michael Ray Arietti (United States of America)
Mr. Dhurmahdass Baichoo (Mauritius)
Mr. Nacer Benjelloun-Touimi (Morocco)
Mrs. Eveline Herfkens (Netherlands)
Mr. Anthony Hill (Jamaica)
Mr. Gilberto Saboia (Brazil)
Mr. Vasily Sidorov (Russian Federation)
Mr. Bjørn Skogmo (Norway)
Mr. Bozorgmehr Ziaran (Islamic Republic of Iran)

Rapporteur: Mr. Sek Wannamethee (Thailand)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the Sessional Committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

5. At its opening meeting, the Board adopted the annotated provisional agenda for its forty-fourth session contained in TD/B/44/1, as amended by the President. (For the agenda as adopted, see annex I.)

6. At the same meeting, and in accordance with the organization of work for the session contained in TD/B/44/1, the Board established two sessional committees to consider and report on items on its agenda, as follows:

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* The officers of the Bureau were elected to serve for a year, beginning with the forty-fourth session of the Board.

Sessional Committee I:

Item 4: Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

(a) Policy reforms in agriculture and their implications for the development of the least developed countries;

(b) Contribution by the Board to the consideration by the General Assembly at its fifty-second session of the holding of a third United Nations Conference on the Least Developed Countries

Sessional Committee II:

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues

7. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairman: Mr. Daniel Bernard (France)
Vice-Chairman-cum-Rapporteur: Mr. Shambhu Ram Simkhada (Nepal)

8. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairperson: Mrs. Agnes Yahan Aggrey-Orleans (Ghana)
Vice-Chairman-cum-Rapporteur: Mr. Rénald Clérismé (Haiti)

D. Adoption of the report on credentials

9. At its 890th (closing) meeting, on 22 October 1997, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-fourth session (TD/B/44/18).

E. Provisional agenda for the forty-fifth session of the Board

10. At its 890th (closing) meeting, the Board, taking account of the fact that its forty-fifth session would deal mainly with the high-level mid-term review, authorized the President, in consultation with the Secretary-General of UNCTAD, to draw up a draft provisional agenda in the course of the year. The draft provisional agenda would be presented to the Bureau and thereafter to an executive session of the Board in the first quarter of 1998.

F. Institutional, organizational, administrative and related matters

1. Review of the calendar of meetings

11. At its 890th (closing) meeting, the Board approved the calendar of meetings as contained in TD/B/44/CRP.1, on the understanding that the issue would be reviewed at the next monthly consultations.

2. Administrative and financial implications of the actions of the Board

12. At the same meeting, the Board was informed that there were no financial implications stemming from any decision taken at the forty-fourth session of the Board.

3. Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of experts from developing countries in UNCTAD meetings

13. At its 889th plenary meeting, on 21 October 1997, the Board took note of the progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of developing countries' experts in UNCTAD meetings (TD/B/44/CRP.2) and requested the Secretary-General of UNCTAD to continue his efforts in this endeavour and to make a further progress report on the subject to the seventeenth executive session of the Board, in 1998.

G. Adoption of the report of the Board on its forty-fourth session

14. At its 890th (closing) plenary meeting, on 22 October 1997, the Board took note of the reports of Sessional Committee I (TD/B/44/SC.1/L.1 and Add.1) and Sessional Committee II (TD/B/44/SC.2/L.1) and decided to incorporate them in the final report of the Board on its forty-third session.

15. At the same meeting, the Board adopted the draft report on its forty-fourth session (TD/B/44/L.1 and Add.1-4), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[2] United Nations publication, Sales No. E.97.II.D.8.

[3] United Nations publication, Sales No. E.97.II.D.6.

[4] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 GATT secretariat publication, Sales No. GATT/1994-7).

[5] See Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), part one.

[6] Official Records of the General Assembly, Fifty-second Session, Supplement No. 17 (A/52/17).

ANNEX I

Agenda of the forty-fourth session of the Board

1. Procedural matters:

   (a) Election of officers;

   (b) Adoption of the agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda for the forty-fifth session of the Board

2. Segment for high-level participation: globalization, competition, competitiveness and development

3. Interdependence and global economic issues from a trade and development perspective: income distribution and growth in a global context

4. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

   (a) Policy reforms in agriculture and their implications for the development of least developed countries;

   (b) Contribution by the Board to the consideration by the General Assembly, at its fifty-second session, of the holding of a third United Nations Conference on the Least Developed Countries

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: performance, prospects and policy issues

6. Technical cooperation activities:

   (a) Review of technical cooperation activities of UNCTAD;

   (b) Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people

7. Other matters in the field of trade and development:

   (a) Specific actions related to the particular needs and problems of landlocked developing countries;

   (b) Progressive development of the law of international trade: thirtieth annual report of the United Nations Commission on International Trade Law

8. Institutional, organizational, administrative and related matters:

   (a) Review of the calendar of meetings;

   (b) Administrative and financial implications of the actions of the Board;

(c) Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of experts from developing countries in UNCTAD meetings

9. Other business:

   (a) Report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries;

   (b) Commission on Investment, Technology and Related Financial Issues, second session: recommendations of the Commission regarding the convening of expert meetings

10. Adoption of the report of the Board.

ANNEX II

Message from Mr. Kofi Annan, Secretary-General of the United Nations, to the joint session of the high-level segment of the Trade and Development Board and the Second Committee of the General Assembly

Geneva and New York, 23 October 1997

1. I am pleased to convey a message to the first ever joint session of the high-level segment of UNCTAD's Trade and Development Board and the Second Committee of the General Assembly and to participate in the official launch of the "Partners for Development" initiative. This is a most worthy undertaking, fully compatible not only with the overall thrust of our work for development and peace but also with the reform process that is now modernizing the United Nations family of organizations.

2. I would like to salute my colleague, UNCTAD's Secretary-General, Mr. Rubens Ricupero, for his commitment and contributions. I would also like to thank the Government of France, and particularly Mayor Raymond Barre of Lyon, for their support and for the invitation to host the meeting in Lyon next year to assess progress.

3. "Partners for Development" is both bold and realistic: bold in that it will involve civil society, especially non-governmental organizations and the private sector, even more deeply in the work of the United Nations. This by itself is welcome, but it will also help fulfil another of my main objectives, namely, strengthening the Organization's efforts in the area of economic and social development. And it is realistic in that it focuses on concrete partnerships and practical solutions.

4. As we all know, traditional United Nations resources for development are not increasing. This initiative will tap the human, technological and financial resources which have been beyond the reach of the United Nations and which in today's world have become far greater than official development assistance. Its importance in this regard cannot be exaggerated.

5. Those who will participate in these partnership projects have chosen to work with the United Nations because of the contributions it is uniquely placed to make. The Organization's universal and impartial perspective, its multicultural approach and its highly professional and dedicated staff are a formidable combination. "Partners for Development" offers yet another venue for the United Nations to demonstrate that it provides real value for money.

6. I pledge my full support to this initiative and very much look forward to working with you. Please accept my best wishes for success.

ANNEX III

Discussion in the Trade and Development Board on UNCTAD's assistance to the Palestinian people

1. The Officer-in-Charge of the Special Economic Unit said that the thrust of UNCTAD's work in the area of assistance to the Palestinian people had focused on operational activities, in line with the changing needs of the Palestinian people and with the new opportunities created by the Middle East peace process. The secretariat's Programme of Technical Cooperation Activities in Support of Palestinian Trade, Finance and Related Services had been endorsed by the Palestinian Authority, and UNCTAD's efforts represented a concrete response to requests of the Palestinian Authority for technical assistance, in a manner that emphasized synergies between UNCTAD's analytical and operational competencies.

2. The report before the Board (TD/B/44/10) reviews recent orientations in UNCTAD's work on this issue, in the light of the critical economic situation in the Palestinian territory and the persistent need for international assistance. Political and security considerations continued to have a strong impact on Palestinian legal, regulatory, institutional and human resource development, despite the promises of the Israel-Palestine peace accords. Coupled with the uncertainty surrounding future political arrangements, this had prolonged economic hardship and uncertainty. Such a situation could, at best, reduce public confidence in the economic dividend widely expected from the peace process and, at worst, promote stagnation and deprivation that could undermine the peace process.

3. The vulnerability of the Palestinian economy to the changing fortunes of the peace process had reinforced a host of structural weaknesses arising from prolonged neglect and isolation. Recent trade performance indicated a precarious external trade position, and there were a number of problem areas where international support, including technical cooperation, was urgently required.

4. An increasingly participatory approach to technical cooperation had become necessary to enable the United Nations to respond positively to General Assembly resolutions on assistance to the Palestinian people and the requests of the Palestinian Authority in priority areas. Of the 10 projects detailed in the report, the secretariat had to date been able to successfully implement one, commenced the implementation of a second, and had just been informed of approval for funding of a third. For the three funded projects, the United Nations Development Programme (UNDP) had allocated more than $400,000.

5. The orientation of UNCTAD's future assistance to the Palestinian people would be guided by the provisions of UNCTAD's subprogramme 9.1 in the United Nations medium-term plan for the period 1998-2001. The secretariat would continue to seek the active support of various sources of extrabudgetary funding, as well as the guidance of the Board.

6. The representative of Palestine expressed his satisfaction at the reinstatement of the item on assistance to the Palestinian people in the agenda of the Board and thanked the Special Economic Unit for its unique efforts in providing different forms of assistance in support of Palestinian development efforts. He was pleased to convey the affirmation of the Secretary-General of UNCTAD that the work of the UNCTAD secretariat, in particular the Special Economic Unit, for assistance to the Palestinian people would continue with the

same vitality as before. This would necessitate, in particular, the appointment of a new Chief of the Unit so as to maintain the momentum of work and efforts to mobilize extrabudgetary funding. The approach to technical cooperation adopted by the secretariat in connection with the Palestinian people set an example for other organizations.

7. The report before the Board summarized the main features of the critical, deteriorating Palestinian economic situation and confirmed the difficulties facing Palestine today in its efforts to lay the basis of a modern national economy. In particular, he noted the destructive economic impact of Israeli measures since 1996 on the livelihood of workers, agricultural output and trade, investment and industrial activity. Most recently, Israeli measures had halted the orderly transfer of customs and other tax receipts owed to the Palestinian Authority, as stipulated by the accords between the two parties. While insisting on the mutual respect of economic accords between Palestine and Israel, he also called for mutual respect for the interests and aspirations of the Israeli and Palestinian peoples. Palestine had not signed its accords with Israel to become an appendage or agent, as some might imagine. Palestine had chosen the strategic option of peace with Israel for a better future for its people in their independent state on their national soil, with Jerusalem as its capital. It was high time for Israel and other hesitant countries to explicitly recognize the inevitability of the exercise of the right of the Palestinian people to self-determination.

8. UNCTAD must continue its valuable research on Palestinian economic prospects, while intensifying its activities in the field of technical cooperation. The secretariat's project proposals reflected important priority areas for the Palestinian economy, and he welcomed the efforts by the secretariat to mobilize the necessary funding for them. He called upon the members of the Board, and especially members of the Consultative Group of donors, to make the necessary resources available for their rapid implementation. In concluding, he emphasized the continuing historic responsibility of the United Nations, including UNCTAD, in respect of the Palestinian issue until the peace process succeeded and Palestine could take its place as a full member of the Board and other international agencies.

9. The spokesman for the Asian Group and China (Sri Lanka) said that since the establishment of the Special Economic Unit in 1985, UNCTAD had become a prominent and reliable source of information and analysis on the Palestinian economy. The orientation of the secretariat's work had developed in line with the new circumstances and the growing needs of the Palestinian people.

10. The establishment of the Palestinian National Authority had been a welcome development that had created new opportunities for the emergent Palestinian economy; that economy, however, was still vulnerable and at risk from the threats to the peace process. The stagnation in Palestinian economic activity and the sharp decline in Palestinian external trade over the past few years posed serious questions as to the economic benefits that the Palestinian people could expect from a peace process which had yet to bear its full fruits. He stressed the continuing responsibility of the United Nations in respect of the question of Palestine in general and the economic and social plight of the Palestinian people in particular.

11. The setbacks and problems experienced in the recent period had created new challenged for the Palestinian Authority in planning and managing the development of the economy. This had created new responsibilities for UNCTAD in intensifying and widening the scope of its assistance. He praised the

integrated manner in which the secretariat had drawn upon its analytical and operational capacities to provide concrete proposals for technical assistance to the Palestinian people. The success in mobilizing resources from UNDP attested to their seriousness and relevance.

12. He hoped that all concerned members of UNCTAD would give serious consideration to help in mobilizing the required support for technical assistance activities, which would deliver cost-effective and much-needed assistance to the Palestinian people. With further progress in the peace process, it was expected that UNCTAD's role in this area would grow.

13. The representative of Pakistan said that the review of the policy environment affecting the Palestinian economy made for very sombre reading. The hopes raised by the peace process were far from being realized, with a further deterioration in the already disheartening economic indicators. The stagnation in income, the growing poverty and the growing unemployment posed critical challenges for the performance of the economy. The dialectic between peace and development was perhaps particularly evident in the case of Palestine. He noted the efforts of the Palestinian Authority to strengthen regulatory and institutional frameworks in order to improve the environment for investment in trade, but given the extremely difficult political and security environment, the economic situation of the Palestinian people remained a matter of great concern.

14. As provided for in subprogramme 9.1 of the United Nations medium-term plan for 1998-2001, UNCTAD should continue to assist the Palestinian people to develop capacities for effective policy-making and management pertaining to international trade investment and related services. This gave UNCTAD a fair amount of scope, and he urged the secretariat to formulate programmes which adhered to two basic principles. First, all programmes should be demand-driven, especially since, when state structures were weak, with limited managerial capacities, there was a tendency for well-organized international secretariats to sell their programmes, something that should not happen. Secondly, the question of coordination with the large number of agencies operating in the field in Palestine became of paramount importance. Finally, he questioned the factors behind the gap referred to in the report between the total pledges by the international community to assist the Palestinian Authority and the actual disbursements.

15. The spokesperson for the African Group (Tunisia) expressed full support for UNCTAD's assistance to the Palestinian people. She congratulated the UNCTAD secretariat for going beyond the stage of analytical work to the stage of operational activities, as well as for its consultation with the Palestinian Authority for the elaboration and implementation of assistance programmes. Nevertheless, she could not understand how the necessary funds for the establishment of the two Palestinian Trade Points could not be mobilized, given the popularity of the Trade Point network with the donor community. With the addition of a private sector role, funds should be easily available. She called on UNCTAD to pursue its fund-raising efforts in this regard more vigorously.

16. UNCTAD was required to take into consideration the daily changes in the situation in Palestine in updating its programmes, so as to respond in the best possible manner to the specific needs of the Palestinian Authority. The latter was well advanced in associating the private sector in all programmes under way. She noted the lack of funding for a certain number of approved pending programmes, and she called upon the donor community to respect their engagements towards the Palestinian Authority so that UNCTAD and other agencies could implement the appropriate programmes.

17. The representative of Morocco expressed his delegation's satisfaction with the implementation of the programme of technical cooperation in favour of the Palestinian people. However, the degradation in the economic and social indicators for the Palestinian territory were such that the Palestinian people required the technical assistance of UNCTAD more than ever before. The stagnation of trade, the trade deficit and problems in the labour market and in living conditions in general were all factors which mitigated in favour of intensified technical support for the Palestinian people.

18. In accordance with the priorities already established and the relevant General Assembly resolutions, UNCTAD must strengthen and improve its technical cooperation in favour of the Palestinian people. He noted with great satisfaction that the Unit in charge of technical assistance to the Palestinian people had been maintained. It was hoped that donors would be able to augment their financial support so that the programmes indicated in the secretariat report could be implemented in full.

19. The representative of Egypt expressed appreciation for the transformation of the work of the Special Economic Unit from the mainly analytical realm to operational activities which drew upon the analytical work. He called upon the secretariat, as well as States and organizations, to redouble their efforts to make available the necessary resources to implement the seven pending unfunded projects mentioned by the secretariat, so as to assist the Palestinian people in building their economy. In this respect, it would be useful to know what factors had delayed the disbursement of funds pledged by different countries to assist the Palestinian people. In conclusion, he urged the States concerned to expedite the delivery of funds according to existing pledges.

20. The Office-in-Charge of the Special Economic Unit reaffirmed that the secretariat would redouble its efforts to mobilize the necessary resources for the implementation of pending technical cooperation projects. As for the low rate of aid disbursement, he cited four factors. Initially, there had been some delays on the part of the donors themselves in the actual mobilization and allocation of the resources pledged early on in the peace process. Subsequently, the institutional capacity of the Palestinian Authority to manage a substantial programme of assistance had also become a factor. Thirdly, with the deterioration of the economic situation since 1996, a large portion of potential development funds pledged by donors had been diverted to current expenditures of the Palestinian Authority and various relief programmes for unemployed workers. A fourth factor had been the issue of coordination between donors, recipients and the various agencies involved. This last problem appeared to have been resolved, and henceforth there would be one integrated Palestinian development plan presented to donors which would combine World Bank, United Nations and bilateral and other projects within a comprehensive framework.